FBIS DAILY REPORT

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ARMY CHIEF DOWNPLAYS MILITARY POLITICAL ROLE

PY051533 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2050 GMT 4 Oct

[Text] Buenos Aires, 4 Oct (NA) -- Army Chief of Staff General Hector Rios Erenu today said that "visionaries, coup plotters, authoritarians and those who claim that the next military coup d' etat will be better, are not in tune with military thinking."

Rios Erenu also criticized the dissemination of news media reports aimed at creating "an atmosphere of instability, not within the Army because my people are mature, but among the people at large, who are beginning to worry because the Army and the other branches of the Armed Forces are supposedly in a deliberative state."

During the program Nuevo Dia, which journalist Bernardo Neustadt has on Radio Mitre, Rios Erenu stressed that the Army will respect the chain of command because "that is my duty."

Speaking with Neustadt on the telephone, the Army commander in chief said that "history teaches us that when there is no respect for the chain of command or the law, we get the results you and I know all about." He added that "the visionaries, coup plotters, authoritarians, and those who say the next military coup d'etat will be better are not in tune with military thinking."

Rios Erenu also indicated that in the current electoral campaign, there have been remarks about the Armed Forces "being possible contenders for votes, bringing up the past and raising questions about their influence and about the possibility of a rebirth of authoritarianism and coups d'etat."

Moreover, the Army chief of staff denied rumors of alleged unrest in the Army over the trial of members of the first three Argentine military juntas and the existence of "a corporatist situation, as well as disarray in the institution's chain of command."

Among other things, Rios Erenu decried the latest bombings in Argentina, stressing that "the destabilizing campaign is aimed not only at the institution that I am honored and privileged to lead, but at other levels of national activities as well."

Gen Rios Erenu also emphasized that the warning he issued yesterday to all the officers of his general staff "is neither accidental nor a reflection of a passing mood." He added that "it is a conclusion I have drawn from various reports that nave been published in different media by gentlemen, some of whom use pen names while others sign their own names."

The Army chief of staff specifically mentioned "a gentleman who goes by the pen name of Daniel Lupa and whose real name is Daniel Horacio Rodriguez, and Iglesias Rouco" as being responsible for the articles.

He went on to say that "Mr Daniel Lupa wrote in an article some time ago that 'the people at large have been acquainted with two completely different and opposite proposals, something like opening gambits for negotiations: one of them apparently belongs to Rios Erenu and the other to Alfonsin'."

The general added that this evaluation "is aimed at suggesting that there is a conflict between the statement of the Army chief of staff to the magazine GENTE, and the speech the president of the nation made on 5 July at the Armed Forces fellowship banquet. An objective analysis of the president's speech would show that it was no more and no less than a reassertion of the essential aspects of the nation's institutional system."

Gen Rios Erenu made these remarks this morning to the Buenos Aires radio stations Continental and Mitre. He said that the way the two speeches were interpreted in the articles in question is not correct, that on the contrary, the two speeches contained "a great many common points."

Rios Erenu pointed out that "later, AMBITO FINANCIERO published under suggestive headlines such as 'Suggestive Meetings,' 'An Unusual Meeting,' and so on an alleged proposal made by colonels at the time when Major Garsich had to appear before the court." After recalling that the abovementioned officer "did appear before the court and testified," Rios Erenu said that "no proposal was made by colonels," and that the report was "totally fictional, but I have written it down in my log."

He added: "Later, we had problems with the Relatives and Friends of People Killed by Subversion [FAMUS] masses that were depicted as political acts of the Army chief of staff. Then, because this attempt came to nothing, an effort was made to find meaning in the use of civilian clothes or uniforms by military officers, as if clothes change the people who wear them."

Rios Erenu also mentioned "a campaign to undermine the prestige of the generals who hold high-level positions in the Army. Mr Daniel Lupa reported on the positions held in the past by these generals, who naturally were not born in 1983 but were at a certain age at the time of Alfonsin's advent to power.

Gen Rios Erenu said that "obviously this article sought to show those who occupied positions in the Army in a specific light."

Speaking about journalist Iglesias Rouco, the Army commander read part of a comment that Rouco published in the newspaper LA PRENSA on 3 October. In his commentary, Rouco said: "There are two or three large groups of such advisers, totally opposed to each other. During the military process in Argentina, one of the groups was linked to Generals Liendo and Viola, while the other was linked to Generals Villarreal and Videla."

The Army chief of staff flatly denied the goals that Rouco's commentary attributed to each one of these groups and stated that allegedly, "my generals are not loyal to me and want me out" with the help of the first group, while "I am allegedly working with the second group to God knows what purpose."

Further on Gen Rios Erenu decried reports that there might be replacements in the Armed Forces "in the short run," and that he would be replaced as Army commander in chief.

Discussing his 2-hour briefing of the officers of his general staff yesterday, Rios Erenu said that one of the main issues was the evaluation of the above mentioned media reports.

He also expressed doubts about the existence of "a so-called 'counter document," which is reportedly circulating within the three branches of the Armed Forces. Unsigned and therefore clandestine, the paper was originated by people who are not brave enough to stand up and state their position."

He revealed that on 3 October he received a letter from General Guanabens Perelloen stating the latter's disagreement with "the performance of this general staff" regarding the granting of loans to Armed Forces personnel. This letter was disclosed by the media earlier.

Rios Erenu also denied the alleged decision of certain military officers to ignore court summonses, stressing that "the chief of staff will order" that the "majesty of justice" be respected.

Speaking about the reorganization of the Army, Rios Erenu refuted rumors "about alleged rivalries that benefited the infantry, my original unit, at the expense of the cavalry, thus resurrecting a past that fortunately will never return."

In his remarks to Radio Mitre, Rios Erenu emphasized that "by shaking the Armed Forces, one can shake the country and this country is not only going through a transition -- that is, learning to deal with the democratic system we all want to strengthen -- but it is also going through a pre-election phase, which compels many of the gentlemen, who are seeking popular support in order to obtain a position, to speak about the Armed Forces as possible competitors for votes, which brings up the past and raises doubts about their influence and about the possibility of a rebirth of authoritarianism and coups d'etat."

GOVERNMENT INFIGHTING CREATING MILITARY DISUNITY

PY051717 Buenos Aires LA PRENSA in Spanish 3 Oct 85 pp 1, 4

[Column by J. Iglesias Rouco: "Military Situation"]

[Text] The factional struggle within the government, frequently fueled not by differences over ideology or programs but by disputes over administrative positions, has begun to accelerate the process of disarray in the Armed Forces. The military chain of command has to some extent already been dismantled by the "process" the 1976-1983 military regimes, which is quite sensitive to this type of struggle. No organization with a chain of command can long resist the impact of such infighting at the top of its political leadership, especially after the military regimes have converted the Armed Forces into a quasi-institutional deliberative body, in a true process of "horizontalization." It should be recalled that this process was accompanied by the compartmentalization of the Armed Forces cadres, with the incredible purpose of ensuring state terrorism, by which the chiefs of the military regimes opposed subversive terrorism.

The Casa Rosada is of course encouraging infighting in the military institution because it knows that such rivalries tend to drag along different groups of officers as well as their current chiefs, thereby splitting the whole. To this intelligent and at the same time suicidal action (suicidal people almost always have the best arguments) should be added the professional humiliation in the Malvinas, the general confusion and even fear that the government's policy of "revision" of the "dirty war" causes among officers, and the legal vulnerability regarding the dirty war in which the former commanders left their subordinates open to legal action. The meager salaries now being paid to military professionals (including the ridiculous "loans" that further demean military dignity) must also be considered along with the social ostracism the men in arms and their families are suffering because of the propaganda of the state-run media (and its friendly "journalism"). Finally, lack of funds condemns the cadres to absolute immobility, with the consequent worsening of off-duty complaining. It also forces them to take part-time jobs, which deepens the disintegration of the forces. This immobility even affects the detachments on the country's southern borders, the key zones of our defense.

A few days ago, for instance, the captain of one of those detachments received orders to release his personnel every day at noon because of the lack of food. Moreover, his soldiers have only three bullets each. Everything is being sacrificed, including national security, to the idea of institutional annihilation, which is being entertained at the top.

How does the political power orchestrate group rivalries within its own jurisdiction so they impinge on the Armed Forces? One of the most effective -- and least known -- ways is through the ministerial and even presidential "advisers," official or non-official, specialists in military affairs who are directly linked to military sectors. There are two or three large groups of such "advisers" that are totally opposed to each other. During the military "process" in Argentina, one of the groups was linked to Generals Liendo and Viola, while the other was linked to Generals Villarreal and Videla." As Mr Llados, who is now the superadviser to Mr Roque Narranza and Mr Jaunarena, knows very well, those two groups have direct access to the different areas of the Defense Ministry and the Presidency, as well as to the Joint Staffs of the three services and to the Armed Forces Joint Staff. The first group also has contact with the commanders who, for one reason or another, are interested in removing General Rios Erenu. The second group is also close to the chief of the Army Joint Staff and his friends. Of course, both groups have good support in the public and private media, through which they "leak" a variety of information, sometimes founded on half truths that mislead people about the significance and orientation of military affairs, always to the benefit of their "clients."

In fact, those official or unofficial "advisers" (we also have to talk of Mr Giadone, who has a penchant for military expertise), who also maintain old connections with some military intelligence services like the 601st battalion or the State Intelligence Secretariat (or with both at the same time), are vying for positions or personal "influence" in the Alfonsin administration (as they would be in any other administration). They are even competing in matters alien to the affairs of the Armed Forces, including the sale or purchase of arms abroad or the retention of their own law firms for important cases.

In sum, these "advisers" are professional "lobbyists" and their military "clientele," who they attack or defend with their "leaks," are nothing but justification for their work or the instrument of their trade. Frequently, this columnist receives their "information," always spectacular and filled with details, and occasionally accompanied by memorandums with officials seals of the Defense Ministry or the Joint Staffs. But regardless of the degree of truth of the "information" (there are all kinds) that the "advisers" themselves or their aids bring us in greatest "secrecy," we have always refrained from including this "information" in our column because of its biased and even sectarian character from a news standpoint; and also because in all cases -- what a coincidence! -- the "information" tries to strengthen or weaken the position of some officers to the personal detriment or benefit of others; this is to say, to introduce in military affairs additional elements of confrontation and atomization, which no doubt conform to the policy the government is following in the sector, a policy that we do not endorse. We believe that the military institutions, which have been so affected by the "process," must be rebuilt, not definitively destroyed.

As the trial of the former commanders is coming to a head with its logical attendant tensions, the activity of the "advisers" has redoubled in recent weeks. Therefore, it is advisable for the public to start disregarding self-serving rumors and speculations and to pay attention to the real military situation. The most important factors to be taken into consideration are the following:

1) It is most likely that in the short term there will be changes in the leadership of the Army (as well as in the Navy and Air Force, although in a smaller proportion), although Gen Rios Erenu may continue in his post. These changes will affect the commands of three or four important brigades and corps, and perhaps the area of military intelligence, which is now being assaulted and robbed in the open.

2) After the subterranean attacks directed at Rios Erenu regarding the "loans" and his supposed "pact" with Alfonsin about "the end," it is not certain that the general will be able to continue as chief of staff. Strangely, those attacks are being made by some of the government "advisers" and by retired generals of the "process." They are also being made by high-ranking officers in active service who aspire to succeed him.

3) The internal movement against Rios Erenu can also be traced to the medium-and-lower levels of the officers staff, who are gathered in numerous separate groups without organizational structure, but who are certainly very active, particularly in the military schools and the special commands.

4) Like the other chiefs of staff, Rios Erenu was given formal promises from the presidency about "the end." According to such promises, the government has set "the end" for a date prior to 31 December. Rios Erenu has agreed to make "time" and "political room" to that effect for Alfonsin, and may have warned the Casa Rosada that he would have to abandon his position if the "pact" was not complied with this year. His efforts to gain that "political room" (remember his declarations to a weekly and the dismissal of General Cerda) are the root of the current unrest at the military "base" against him.

5) Recently, the government tried to convince Rios Erenu and his colleagues of the "political" need to postpone "the end" it had promised. At the same time the government "leaked" that it is preparing an "amnesty" for next year. The government also offered them "assurances" that they would retain their posts until then, and again asked them for their support. These "offers" and "counteroffers" (Alfonsin and Troccoli denied the existence of an amnesty proposal) were rapidly conveyed to the military "base" by the government and its agents, so as to fan the discontent of the officers with their chiefs. As happened last year, this discontent is again being translated into a prevalent but still unorganized demand that all the high-ranking chiefs, including the recently promoted lieutenant generals, "slam the door" and go into retirement.

6) Among the staff of Army generals, and also of admirals and Air Force generals, there is no consensus that they should "slam the door" and go into retirement. On the contrary, Rios Erenu and his peers are thinking that their retirement will open the way for an accelerated and unending succession of commanders, with almost simultaneous appointments and resignations (in 2 or 3 months) until the possibility of a coherent system of command is exhausted.

7) There is no ideological agreement among the military factions that are unhappy over the situation, only a state of resentment against the government and the conviction that the democratic regime must be preserved. Nevertheless, many of the so-called military "self-defense" groups have (indirectly) let their superiors know that they will "act" in the face of "social chaos" fomented by the Marxist left or in the face of persecution for "having followed orders" during the "dirty war"; although they would never "act" -- they may have stressed -- in an institutional manner.

8) According to all the commanders consulted by the different joint staffs, it would, in such cases, be very difficult to count on the "loyalty" of their units.

Many commanders even doubt that the Armed Forces, taken as a whole, would come to the aid or let themselves be used as a repressive tool in case of a leftist subversive offensive against the government.

9) More than a dozen lower-rank Army and Navy officials would soon be arrested in connection with the "dirty war" on court orders, and dozens of other cases that are now in the hands of the Armed Forces Supreme Council would be transferrred to civilian courts.

10) The restive groups of young officers continue to be critical of the top commanders of the "process," including Videloa who is about to be sentenced. In recent weeks, however, those groups may have partially rallied in favor of Videla in the wake of the court "show" (especially the summation made by the prosecutor and the explosion of "joy" it caused in the courtroom) and the overall, indiscriminate accusations of state "journalistic" media against the Armed Forces.

11) Strong rivalries still exist among the different branches of each service, particularly among the branches of the Army which, along with the others, have influence in the various military circles where the replacement or continuance of Rios Erenu and his colleagues is discussed. To these traditional rivalries must be added the corporate interests surrounding the military industry and other military enterprises. Important civilian functionaries of the Defense Ministry and other organs of the cabinet also participate in this game of clashing interests.

Pronounced differences can also be noticed inside the government regarding the treatment to be given to the Armed Forces and "the end." As we have been saying, the Casa Rosada is transferring those differences to the barracks through its "advisers." At the same time, it deliberately promotes the differences the military factions have among themselves. A state of permanent irritation among the military, along with its institutional and professional lack of functionality, is the only fruit that such a "program" can bear -- the fruit that the government and democracy will reap.

DEFENSE MINISTER ON TRIALS OF MILITARY OFFICERS

PY050259 Buenos Aires TELAM in Spanish 2007 GMT 4 Oct 85

[Text] Buenos Aires, 4 Oct (TELAM) -- Argentine Defense Minister Roque Carranza today reaffirmed that the courts will have the final word about the outrages perpetrated during the antisubversive struggle. He made this remark during a press conference he held with journalists assigned to the Defense Ministry.

Carranza revealed that Air Force commander in chief, General Ernesto Horacio Crespo, told him yesterday that he intends to attend the trial of the former commanders in chief of the Armed Forces branches. In the opinion of the Defense Ministry, Crespo's is a positive concern.

Carranza also agreed with Army commander in chief, General Hector Rios Erenu, that the campaign against this officer has been stepped up lately, adding that he knew what Rios Erenu was going to say in advance.

ALFONSIN MEETS SPANISH PRIME MINISTER, UK's STEEL

For Madrid coverage of the visit to Spain by President Alfonsin, including his meetings with Spanish Prime Minister Felipe Gonzalez, see the Spain section of the 7 October Western Europe DAILY REPORT and subsequent issues. And for coverage of the meeting between President Alfonsin and British opposition Liberal Party leader David Steel, see the United Kingdom section of the 8 October Western Europe DAILY REPORT and subsequent issues.

MINISTER ON DEBT MORATORIUM, REAGAN LETTER

PY080215 La Paz Cadena Panamericana in Spanish 0000 GMT 8 Sep 85

[Except] Planning and Coordination Minister Guillermo Bedregal Gutierrez has said that the constitutional government believes that in order to pay the foreign debt, a moratorium of 10 years on the interest and 15 years on the capital will be necessary. He said that we must first find out the details of the debt. Bedregal said the foreign debt, which grew considerably from 1971 to 1979, was necessary for the country, but that it cannot be paid immediately. He added that we must negotiate the usurious interest rates. The minister pointed out that the constitutional government did not say that it will not pay the debt, but that it will conduct a detailed study in order to make the proposal for a moratorium of 10 years on the interest and 15 years on the capital.

The minister also referred to the letter U.S. President Ronald Reagan has sent to Bolivian President Victor Paz Estenssoro indicating his political intention to cooperate with financing for development projects and the reduction of coca cultivations. In this regard, Bedregal said the government will responsibly face the problem of drug trafficking, because this is not only a Bolivian but an international problem. He added that efforts will be made to find a responsible solution to this problem through control mechanisms within the international drug trafficking context.

He also said that the negotiations conducted by the government to obtain the $800 million that was frozen because prior administrations did not fulfill requirements have concluded successfully. He then referred to the government's support for agro-industrial projects in Santa Cruz.

GENERAL SAYS GOVERNMENT HAS RECOVERED AUTHORITY

PY071514 Madrid EFE in Spanish 1818 GMT 6 Oct 85

[By Amanda Davila]

[Excerpts] La Paz, Oct (EFE) -- Army Commander General Raul Lopez Leyton said today that his country has entered a new phase that will result in strengthening democracy, now that, thanks to President Victor Paz Estenssoro, Bolivia has recovered its authority. Lopez Leyton said that Paz Estenssoro's government has managed to assert its authority and put an end to a national political phase in which two powers were interrelated. He also said that the only way to solve the national conflicts will be by establishing a dialogue between the government and the powerful labor movement. He said the Armed Forces would support such a move.

However, it was noted that the political sectors believe that despite the government's will to hold talks, it is also preparing for a systematic and intensified repression. Their opinion is based on the government campaign against Soviet, Cuban, and Nicaraguan guerrilla groups that are allegedly operating in the Tarija Department near the border with Argentina. Regarding these alleged guerrilla actions, Gen Lopez Leyton said the Armed Forces are evaluating the situation in Tarija and reports will be released soon.

In turn, the Secretary General of the Bolivian Labor Confederation [COB] Juan Lechin Oquendo, who was freed last night, said the government's campaign against the leftist guerrilla action in Bolivia is just an excuse to break diplomatic relations with Nicaragua and Cuba following the wishes of the United States.

SARNEY VIEWS DEBT, PROTECTIONISM, C. AMERICA

PA072240 Caracas EL NACIONAL in Spanish 21 Sep 85 pp D1, D2

[Interview with Brazilian President Jose Sarney by Alfredo Pena; date, place not given]

[Excerpts] [Pena] Brazil has a foreign debt totalling $100 billion. This forces the country to pay approximately $10 billion each year in interest, not including the principal. How will Brazil manage to pay its creditors?

[Sarney] Brazil believes that sustained economic growth will allow it to pay off its debt. This year we hope to reach a growth rate of at least 5 percent; this is essential for improving the economic and social condition of our population. In addition, we will have a trade surplus of $12 billion that we will use to pay interest on our debt. We are hopeful that international organizations and creditors will realize that only sustained economic growth will allow Brazil and other debtor countries to increase exports and thus be able to use those revenues to meet their commitments.

[Pena] Do you believe that it is still possible to establish a bloc of debtors?

[Sarney] Debtor countries have already organized the Cartagena Consensus. It is not a bloc of debtors, but it seeks to adopt common positions in the face of a problem that afflicts us all in varying degrees. Each country has debt with specific characteristics in terms of amounts, deadlines, interests, spreads [preceding word in English] , etc. This indicates that the problem must be handled in two ways: through agreements on general and common aspects, and through bilateral negotiations on financial and banking aspects that are peculiar to each case.

[Pena] Do you not think Brazil will have to negotiate and make certain concessions regarding protectionism, especially in relation to certain laws closing the Brazilian market to high technology products?

[Sarney] Brazil believes that the matter of protectionism is a paradoxical situation. Developed countries want us to strictly comply with our international committments in terms of deadlines and conditions. To achieve that end, we must practice a certain economic policy and generate trade surpluses. This forces us to maintain a surplus balance with almost all countries in the world. That is what we are doing. We must show a surplus balance. On the other hand, however, developed countries block our access to their markets with protectionist measures. Their markets can absorb our exports. We are not practicing protectionism in Brazil. It must be kept in mind that we are a country with a developing industry. The defense of that industry and the need to develop our own technology and to strengthen it are advocated in the text of the GATT itself. That text contains a mechanism that favors countries involved in this phase of development. That is what we are involved in now. There is no reason we should backtrack on our position now; that would be the same as renouncing our sovereignty. Concerning this issue, there is a law here that was rightfully approved by the Congress.

[Pena] The United States believes that failure of the Contadora Group is preferrable to the signing of a bad agreement in Central America.

[Sarney] Any international agreement will be durable only if it is well-balanced and just, and if it is reached by the free will of the parties involved. We are convinced that the solution to the Central American problems lies in a genuinely satisfactory agreement that is deemed to be precisely that by the parties involved.

[Pena] The region's demilitarization, the dismantling of military "advisorships," equipment, and other forms of foreign meedling are several of the most difficult problems to solve.

[Sarney] The only way to achieve demilitarization is through an agreement offering real security to all countries in the region. In this regard, we believe that the attempt of the Contadora Group to seek a limitation on the number of troops, kinds and amounts of weapons, and foreign military presence in the area is the correct path.

[Pena] Washington, Moscow, and Havana are somewhat involved in the Central American conflict. Why is there not a sincere confrontation of the facts? Why have they not been invited to the negotiating table to commit them to a solution?

[Sarney] Faithful to the principle of nonintervention, Latin American countries have always tried to prevent an internationalization of the Central American conflict and the importation to the region of ideological confrontations between power blocs. Contadora advocates the most advisable policy in its effort to reach an effective nonintervention commitment allowing Central Americans to negotiate among themselves to solve their problems.

[Pena] The Nicaraguan Government insists on an imminent U.S. invasion. What would Brazil's position be if that were to take place?

[Sarney] Brazil ardently wishes and hopes that the search for a solution to Latin America's problems will continue to follow the peaceful path of diplomatic negotiation. We are confident that the Contadora Group will successfully continue to maintain the conflict within that framework to prevent an armed confrontation that could result in serious consequences, not only for those involved, but also for the entire continent. In this regard, I want to reaffirm that in keeping with the continent's diplomatic tradition, our position favors a peaceful negotiated solution that will respect the principle of nonintervention. This position is in keeping with Central American aspirations.

[Pena] Can you expand on U.S. policy toward Nicaragua?

[Sarney] Our support for Contadora does not allow us to assume a position, to pass judgement on the attitude of the United States. However, we hope that force will never be used because that would contradict the Brazilian position. We want a negotiated solution without resorting to a forceful solution of the Nicaraguan issue. That is the spirit of Contadora: a negotiated solution.

[Pena] Going back to the economic crisis, what do you think is the role of foreign investment given the current circumstances?

[Sarney] Brazil has always placed considerable importance in foreign investment as a way to complement domestic savings within its developmental process. At this juncture, which is characterized by the debt crisis, risk capital has gained a new dimension because to an extent it can take the place of capital flows that are stagnant. However, it is essential that Latin American economies resume their growth. As experience has shown, foreign capital is not attracted to recessive economies. Therefore, economic growth is more than another isolated factor and is the decisive element in attracting foreign investment.

[Pena] How can Brazilian-Venezuelan trade be increased?

[Sarney] Mainly by identifying the numerous existing complimentary aspects of the two economies. There is no doubt that trade between Brazil and Venezuela has reached very significant levels in recent years.

Unfortunately, this was hindered by economic-financial difficulties facing our economies. Today, various specific opportunities have emerged that forsee a long-term tendency toward resumption and broadening of the existing trade and cooperation between the two countries. A specific step toward this end is the recent signing of a reciprocal credit agreement that will further bilateral trade. I would like to insist upon complementary economic opportunities between Venezuela and Brazil. This is in fact the aspect of our economic relations that could best ensure increased trade. The interest is reciprocal. Whatever we build today will become a secure base for whatever we might do in the future.

[Pena] The fields of petroleum, iron and steel, mining in general, and communications are areas in which our relations could be broadened even more.

[Sarney] In fact, the petroleum field is one of the areas in which we could develop a joint effort. Brazil is a large importer and Venezuela one of the large exporters. There are areas in which specific cooperation has already taken place, such as in the iron, steel, and mining industries, the implementation of large-scale infrastructure projects, and cooperation in the adaptation of agriculture and cattle-breeding to tropical conditions. In the border region I believe we should give priority to paving the road between Caracas and Manaus. That road could help increase exports of iron and steel products, cement, aluminum, and petroleum from the State of Bolivar to northern Brazil. From there, Venezuela could import agricultural, forestry, and industrial products. An unexplored complimentary potential exists in that border region.

BRIEFS

JAN-AUG INDUSTRIAL GROWTH -- Industrial growth stood at 6.8 percent from January to August this year. Car factories sold approximately 77,000 vehicles in September. Car manufacturers expect their sales to increase between 8 and 10 percent by the end of this year. [Text] [Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 4 Oct 85 PY]

SEPTEMBER EXPORT FIGURES -- September has been the best month this year for Brazilian trade: the surplus stood at $1,293,000,000 in September. Thus, sources of the Brazilian Foreign Trade Department have said that the $12 billion surplus target for this year will be reached. The accrued trade surplus as of September totals $9,144,000.000. Exports have increased as a result of a favorable monetary exchange rate. Brazil is again exporting alcohol to the United States after a 2-month suspension. [Text] [Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 4 Oct 85 PY]

AUGUST EXPORT FIGURES -- The Brazilian Foreign Trade Department has reported that during August of this year Brazil exported goods worth $2.133 billion and imported goods valued at $1.055 billion, leaving a positive balance of $1.078 billion. During the first 8 months of this year Brazil has a favorable balance of $7.8 billion. [Summary] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 5 Sep 85 p 1 PY]

PETROBRAS JAN-JUN PROFITS -- Rio de Janeiro, 15 Aug (AFP) -- Petrobras has reported that its profits during the first half of 1985 were approximately $706,103,200 and that this figure represents a 242 percent increase over profits made during the same period last year. [Summary] [Paris AFP in Spanish 1327 GMT 15 Sep 85 PY]

EMBASSY ESTABLISHED IN ALBANIA -- President Sarney yesterday signed a decree creating the post of ambassador to Albania, a small European communist country. The Rome-based Brazilian ambassador to Italy, former foreign minister Ramiro Saraiva Guerreiro, will perform the duties of ambassador to Italy and Albania concurrently. [Excerpt] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 4 Oct 85 p 2 PY]

DEL VALLE RETURNS FROM UN, DISCUSSES HUMAN RIGHTS

PY041356 Santiago Radio Chilena in Spanish 2300 GMT 3 Oct 85

[Text] Foreign Minister Jaime del Valle today returned to the country after participating in the 40th UN General Assembly. Further details on his return to Santiago are given by reporter Jose Francisco Contreras.

[Begin Contreras relay] Good evening. Foreign Minister Jaime del Valle has stated that as an expression of goodwill the government will allow the UN special observer for human rights violations to visit the country. He added that the government authorities are willing to cooperate when they observe a minimum of objectivity, and this is the case with the Costa Rican observer, who is in charge of evaluating respect for human rights in Chile.

It is appropriate to recall that Chile had decided not to cooperate any longer with the UN Human Rights Commission because it considered the commission's members too biased. Del Valle stated that although it will not be official, the human rights report on Chile will now be much more objective than previous ones because it will include concrete reports and not mere suppositions.

The foreign minister, who returned today from New York, where he participated in the UN General Assembly, also referred to the remarks made yesterday by Jaime Castillo Velazco, president of the Chilean Human Rights Commission, who stated that Del Valle should not have referred to the Chilean human rights situation in his UN speech. Moreover, Castillo Velazco questioned the sincerity of the foreign minister's statement that the government respects UN principles. In this regard, Del Valle stated: I do not think Mr Castillo is qualified to assess my intentions. He has no authority to do so.

The foreign minister also reported on the denunciation he made at the United Nations against the international campaign against Chile. He added that there is an increasing consensus among the foreign ministers he talked to that the misinformation directed at our country is disgusting. Regarding the authors of this misinformation, the foreign minister stated:

[Begin recording] I think it would be good to find out who is responsible for this. I think the great orchestra is being conducted by the Soviet Union, by international communism, which is its main agent, but there are others as well. [end recording]

Regarding his meeting with [name indistinct] and Abrams, high-ranking officials of the U.S. State Department, Jaime del Valle said that they were very clear, cordial, and positive. During the meetings he gave precise and detailed information about Chile, and the representatives of the Reagan administration expressed great interest. [end relay]

OAS COMMISSION CRITICIZES HUMAN RIGHTS ABUSES

CANA Views Report

FL042030 Bridgetown CANA in English 1953 GMT 4 Oct 85

[Text] Washington, D.C. Oct 4, CANA-REUTER -- The Inter-American Human Rights Commission today severely criticized the political situation in Chile and urged the government of President Augusto Pinochet to re-establish democracy quickly.

It is imperative that the Chilean Government institute whatever mechanisms it deems necessary to re-establish a democratic system very soon..., the commission said in a report on the human rights situation in Chile since the military took power in 1973.

It concluded that the right-to-life was seriously infringed during the 12 years of military government and added that violations of the right-to-life were determined by clear discretionary policy, since the vast majority of victims held political views of opposition to the government.

The commission, an official agency of the Organization of American States (OAS), also said freedom of speech and opinion was severely limited and sometimes completely eliminated. It said the Chilean Government rejected the report and attempted to suppress its publication, alleging that the panel did not have a mandate to examine all of its actions.

The 371-page report, one of the longest and most severe ever produced by the commission, said the Chilean Government had imposed a stern political order that had affected the exercise of political rights.

It noted that the Chilean Government permitted voting on two occasions, but said it had used all the resources at its disposal to place the opposition in clear disadvantage. The commission added that it was concerned ... about the lack of concrete steps that would show the Chilean Government's will to advance towards the re-establishment of an authentic democracy.

Diplomatic sources said it was the first time since 1979 that the panel had emphasized the lack of political freedoms in one of its periodic reports on an OAS member country. On that occasion, a report on the political situation in Nicaragua under Dictator Anastacio Somoza was the centre of heated debates within the OAS.

The debates led the United States and other hemisphere governments to withdraw political support for the Nicaraguan regime, hastening Somoza's downfall.

Regarding the right-to-life, the report charged that the Chilean Government had used practically the totality of known methods for the physical elimination of dissidents. Among the methods it cited were disappearances, and summary executions of individuals and groups of defenceless persons. The commission said the elimination of dissidents was carred out with total impunity, and the officials responsible have never been punished.

Government Rejects Report

PY051126 Santiago Radio Chilena in Spanish 2300 GMT 4 Oct 85

[Excerpts] The Inter-American Human Right Commission, in a report to be presented to the OAS General Assembly, has included an analysis of the human rights situation under the current military regime. The Chilean foreign minister has objected to the procedure used and issued an official statement to that effect. Jose Francisco Contreras has more details:

The government did not accept the report on the human rights situation in Chile, which was prepared by the OAS Inter-American Human Rights Commission. This report was made public today in Washington by the commission and will be presented to the OAS General Assembly in November in Colombia. The document analyzes the human rights situation in Chile under the Pinochet regime.

According to the Chilean Foreign Ministry, this report amounts to passing judgment on the legitimacy of the Chilean military government. This, in the Chilean Foreign Ministry's viewpoint, makes the report unacceptable because it is retroactive and passes judgement on the Chilean regime in a clear and obviously irregular manner. In its statement, the Foreign Ministry recalls that Chile had objected to what it considers irregularities in the procedure by which the report was prepared.

In its official communique, the Foreign Ministry notes that Chile cannot accept the treatment given to the human rights situation in Chile because it reiterates the deliberately hostile attitude of the OAS Human Rights Commission. In these circumstances, the communique continues, the publication of a report, which has been formally objected to because of serious irregularities in its preparation, constitutes a new demonstration of the attempt to apply a selective, discriminatory, and special procedure to the Chilean situation.

The communique ends by reasserting Chile's willingness to cooperate with procedures of an objective and universal nature.

FPMR SAYS BOMBINGS WERE WARNING TO PINOCHET

PY040208 Madrid EFE in Spanish 0110 GMT 4 Oct 85

[Text] Santiago, 3 Oct (EFE) -- The Manuel Rodriguez Patriotic Front, FPMR, today claimed credit for the five bombs that exploded yesterday during General Augusto Pinochet's tour of Rancagua. A person who claimed to be a member of the FPMR telephoned the local EFE branch and said the FPMR, a politico-military organization of Marxist leanings, gave General Pinochet an appropriate welcome during his visit to Rancagua, 100 km south of Santiago.

The caller said: We placed bombs along the road, near the intendent's offices (regional government house), and the hospital that Pinochet was going to dedicate. We want to warn him that we are getting closer and it would be best for him to go, the FPMR spokesman added.

The bombings were reported yesterday by the state news agench ORBE and Radio Chilena, the radio station of the Santiago archbishopric. The reports indicated that the bombs caused no casualties or severe damages. One of the bombs exploded some 300 meters away from the stadium El Teniente, in Rancagua, where the chief of state was attending civilian-military ceremony to commemorate a battle of Chile's war for independence.

The FPMR spokesman added that today this organization held up a dairy truck and distributed the products in a poor neighborhood in the area of Puente Alto, eastern Santiago.

General Pinochet's administration believes the FPMR to be the armed branch of the communist party, but the FPMR has repeatedly denied any ties with the latter party and has stated that it is an independent group that draws its inspiration from the heroes of Chile's struggle for independence.

40 KILLED IN ARMY-M-19 CLASH; FIGHTING CONTINUES

PA050241 Bogota Television Service in Spanish 0000 GMT 5 Oct 85

[Excerpts] Tonight, public order in El Valle and Tolima is not good. The latest clash between M-19 [19 April Movement] and the Army has left a casualty toll of over 40 people dead, dozens wounded, and it is still raging. In a remote mountainous region, which is almost unapproachable, soldiers and guerrillas have been fiercely fighting for over 72 hours.

Moreover, there is a growing controversy over the casualty toll and the number of soldiers missing. M-19 claims to be holding them as prisoners, while the Army states that the soldiers were kidnapped. Here is Mauricio Manjarres' report from Chaparral, Tolima, near the site of the clash.

[Begin recording] [Manjarres] Several Colombian Army soldiers and noncommissioned officers belonging to the Caicedo Battalion, Chaparral Municipality, south of Tolima Department, died on Monday, at 0500, during a guerrilla ambush set by M-19 in a region called (Cannon de la Virgen), which is located on the border between Tolima and El Valle Department.

[Unidentified person] It was reported that nine soldiers and three noncommissioned officers were killed, and some people were missing. Their status is unknown.

[Manjarres] "Twenty-Four Hours" newscast has learned that 14 coffins arrived here, at the Caicedo Battalion, in Chaparral Municipality, from Bogota.

An M-19 guerrilla column led by Carlos Leon Pizarro Gomez is blamed for the ambush. It was learned that the military operations have encountered many difficulties because of the topography, the harsh weather, and the zone's weather conditions. [sentence as heard] Participating in the military operations are Army members belonging to several military battalions and brigades.

At 1700, 120 men belonging to the 2d Brigade, headquartered in Cali, arrived in Ibague to reinforce the military operations in southwest Tolima Department, where the clashes with the guerrillas are taking place. [end recording]

Ten of the most seriously injured people are arriving now at the capital's hospitals. Along the border between El Valle and Tolima is where the [word indistinct] peace. In El Valle, the casualty toll of soldiers and guerrillas is also high. The worst part is that the victims include very young men and women, one of whom is a pregnant guerrilla woman.

In [word indistinct] Monteloro, southeast Tulua, 4 soldiers and 13 guerrillas were killed. Part of the weapons seized from the subversives, include grenades, machineguns, rifles, ammunition carriers, fuses, and [word indistinct] for bombs.

M-19 issued a communique stating that it is holding 13 soldiers prisoner, and asked that the International Red Cross, Amnesty International, and the Human Rights Commission come to receive the prisoners. However, Army Chief Rafael Zamudio labeled the report as false, and added that there are only four soldiers missing. He said:

[Begin recording] [Zamudio] No organization of that kind has any reason to come, especially to receive injured persons that are not there. All the people who sustained injuries during the different clashes, in Tolima as well as in El Valle, are under my control and are receiving attention from the Army's military hospitals.

[Unidentified reporter] No soldiers are missing?

[Zamudio] Four of our men are missing, two commissioned officers and two soldiers. [end recording]

Defense Minister General Miguel Vega Uribe said that all Colombian soldiers are prepared to die if necessary to defend the fatherland and to enforce compliance with the Constitution.

[Begin recording] [Vega] There have been clashes with the subversives in the past 3 days because they definitely do not want to forsake their intention of bloodying Colombia. Some of our men died, officers, soldiers who have joined the ranks of the country's heroes, who have died in fulfillment of their duties. The entire Colombian Army is also prepared to die. Many of them [guerrillas] died too, many of them. However, that is not the idea. The idea is that a ray of light should enter their hearts and minds so they will stop bloodying Colombia, so they will stop glorifying violence.

[Unidentified reporter] Do you confirm that the subversives are holding four noncommissioned officers and several soldiers?

[Vega] I am not confirming anything. You are telling me that there are four soldiers, that is, two noncommissioned officers and two soldiers, missing. You have just informed me that the mayor of God knows where, Chaparral, is saying that the subversives, M-19, are holding them. Therefore, they are not missing, the subversives kidnapped them. [end recording]

NICARAGUA'S RAMIREZ WARNS OF NEW U.S. MOVES

PA050137 Managua Domestic Service in Spanish 2300 GMT 4 Oct 85

[Text] Bogota -- Nicaragua Vice President Sergio Ramirez has warned here that the Contadora Group faces the danger of new maneuvers by the U.S. Government. On arriving in Bogota to meet with President Belisario Betancur, Ramirez stressed that there are serious indications that the Reagan administration intends to continue placing obstacles in the way of political mediation in Central America. He rejected the charge raised by U.S. Secretary of State George Shultz that Nicaragua represents a danger to democracy and stability in the area and stressed that the Nicaraguan people are the ones who are paying with the blood of the humble for U.S. aggression.

Regarding the Contadora efforts, he noted that Nicaragua remains ready to sign the final document for peace and described as excellent the incorporation of the Dominican Republic and Ecuador into the support group to which Argentina, Brazil, Peru, and Uruguay already belong. Finally, he also warned about the possibility of a new invasion by counterrevolutionaries from Honduras. He urged the Honduran Government to keep its regular troops from cooperating with the counterrevolutionary forces at the border.

GOVERNMENT STRESSES NEED FOR $4.8 BILLION IN LOANS

FL072141 Mexico City NOTIMEX in Spanish 1920 GMT 7 Oct 85

[By correspondent Roberto Gonzalez Perez]

[Excerpts] New York, 7 Oct (NOTIMEX) -- The Mexican Government today told world banks that, because of the 19 September disaster Mexico will need foreign financing ranging between $4.6 billion and $4.8 billion in 1986. Before the earthquakes, Mexico had said it would need between $2 and 3 billion in new loans.

In a telex addressed to its main creditors, Mexico's Finance Secretariat outlined government plans to rebuild Mexico City, in addition to how it plans to handle a long list of economic challenges, such as the oil price drop and inflation.

In the telex, Mexico's Finance Secretary indicated that it hopes to obtain $2.5 billion of the amount requested to commercial banks. It also said that Mexico is willing to submit a new letter of intention to the IMF.

In its telex to bankers, the finance secretariat asserts that Mexico wishes to comply with its financial obligations and that it had even planned paying the $950 million on time, but that recent earthquakes have forced us to take care of our people first.

According to the message, clearing the rubble left by the earthquakes, rebuilding the most important government buildings, restoring telephone service, and repairing the water distribution system will cost around $3 to $4 billion.

The telex also says rebuilding costs within the next 3 months will amount to approximately $500 million and tourism income will decrease $300 million, because of the psychological impact caused by the earthquakes. It was also reported that $300 million are needed to repair telephone and hospital services destroyed by the quakes. The earthquake will cause a decrease in non-oil exports amounting to $100 million.

WORLD BANK SIGNS CREDITS TOTALING $255 MILLION

FL080135 Mexico City NOTIMEX in Spanish 2155 GMT 5 Oct 85

[Excerpts] Mexico City, 5 Oct (NOTIMEX) -- Mexico and the World Bank today signed two credits agreed upon earlier amounting to $255 million, the Finance and Public Credit Secretariat has announced.

The loans will be used to finance public housing projects and small and middle mining projects. The credits were signed within the framework of the preparatory works held before the IMF and World Bank annual meeting in Seoul, South Korea by the Finance Secretary Jesus Silva Herzog.

The two credits, which were announced a few days ago when they were granted, form part of this year's authorized foreign debt. The credits are to paid off in 15 years, including a 3-year grace period, with a 8.82 annual interest rate adjustable every 6 months.

JAPANESE FOREIGN MINISTER ARRIVES, DISCUSSES AID

PA041905 Mexico City XHDF Television Network in Spanish 0100 GMT 4 Oct 85

[Text] Japanese Foreign Minister Shintaro Abe arrived this afternoon in Mexico City. On his arrival at the International Airport he was greeted by Mexican Foreign Secretary Bernardo Sepulveda.

Shintaro Abe said his government is prepared to fully cooperate with the Mexican Government and people in the reconstruction of the areas affected by the quake. The minister said he is interested in speaking as soon as possible with the proper authorities to decide on how Japan will cooperate in repairing the damaged property.

The Japanese foreign minister said that as soon as Tokyo became aware of the disaster that had hit Mexico, the Japanese people sent teams of experts and donated $1,250,000. He also said that his country awaits with interest the arrival of President Miguel de la Madrid. The Japanese concluded by stating that he has brought a message of condolence for the Mexican people and government.

Meets De la Madrid

FL041648 Mexico City NOTIMEX in Spanish 0430 GMT 4 Oct 85

[Text] Mexico City, 3 Oct (NOTIMEX) -- Japanese Foreign Minister Shintaro Abe told Mexican President Miguel de la Madrid that Japan, now as always, will provide any kind of assistance to their friends the Mexican people.

The two leaders met today in private in the official Los Pinos residence where the Japanese Minister gave his people's condolences to the Mexican Government for the 19 September earthquake. He also said his government completely understands why De la Madrid cancelled his trip to Japan scheduled for this week.

Abe said the Japanese people would consider it a great privilege to have De la Madrid visit when conditions permit because it would undoubtedly result in an increase in economic, political, and cultural relations between the two countries.

The minister also said the ties between the two countries remain solid and productive and he gave the Mexican president greetings from Emperor Hirohito and Prime Minister Nakasone. Mexican Foreign Minister Bernardo SEpulveda Amor also attended the meeting with Abe and De la Madrid.

USSR SENDS CARGO PLANE FOR EARTHQUAKE RELIEF

PA071949 Mexico City XEW Television Network in Spanish 1600 GMT 6 Oct 85

[Text] A Soviet-made Ilyushin-76 cargo plane arrived in Mexico City with 75 tons of freight, including pharmaceuticals, foodstuffs, and other products for use by the Mexican Red Cross.

Sergeyev Rostislav, Soviet ambassador in Mexico, said at the air terminal that a fund-raising drive that began in Leningrad is underway in his country to help the Mexican quake victims.

SPADAFORA CASE WITNESS MURDERED IN CHIRIQUI

PA071519 Panama City EXTRA in Spanish 7 Oct 85 p 1

[Text] Seventy-two-year-old Flora Quiros, who was witness to the arrest of Dr Hugo Spadafora by Defense Forces units on the bus in which the doctor entered national territory, was assassinated.

Mrs Quiros was stabbed seven times and she was practically beheaded. Her body was found on 30 September in Guadalupe, Cerro Punta jurisdiction, in Chiriqui Province. The body of the unfortunate Mrs Quiros was found inside the little store she owned and in which she lived alone in Guadalupe.

The media that have reported this have said it was committed by robbers. However, the woman's relatives have said that no money, jewelry, or food was stolen, so the motive of theft is ruled out.

The assassinated woman was the mother-in-law of Julian Guerra, a former corregimiento representative of the town. Her relatives have expressed concern over the crime and have asked that it be thoroughly investigated. The death of witness Quiros and the many threats against people in Concepcion form part of the climate of repression in Chiriqui Province. This has been denounced by distinguished professionals of that region. It has worsened with the Spadafora case, frightening people and preventing the solution of that crime.

SPADAFORA FAMILY ISSUES COMMUNIQUE ON POSITION

PA062108 Panama City LA PRENSA in Spanish 6 Oct 85 p 1

[Communique issued by the Spadafora family in Panama City on 5 October]

[Text] 1. All our requests for the creation, by law, of a commission to investigate the horrible and vile murder of Hugo Spadafora Franco have been sent to the proper civilian authorities (executive and legislative branches).

2. The Spadafora family interprets the compromising silence of those authorities as a negative reply to our request.

3. The entire citizenry, as well as the international community, have no doubts that the military hold the real power in Panama.

4. The compromising silence in reply to our request by both the military and civilian authorities, as well as the grave evidence and proof known by all -- which points to the top echelons in the military -- show their guilt.

5. In view of the preceding considerations, the Spadafora family declares that it firmly and resolutely maintains its original position, in all its respects.

For the Spadafora family, Winston Spadafora Franco, Panama, 5 October 1985

EXTRA CITES ACTIONS AGAINST PAPERS, RADIO STATION

PA031643 Panama City EXTRA in Spanish 2 Oct 85 p 2

[Excerpt] Eleven thousand copies of EXTRA'S Saturday, 20 September [date as published] edition were confiscated by members of the Defense Forces G-2.

In a gangster-style operation, G-2 intercepted a newspaper truck and used guns to threaten the driver, who was detained and taken to the Pueblo Nuevo substation. At the station he was forced to lie down on the floor. When he was returned to the truck, the newspapers were gone and he was told that he should report this as a theft.

The newspaper LA PRENSA is permanently under surveillance by unidentified individuals who are posted in strategic locations. Their vehicles include two that were used for the action against EXTRA.

Journalist Tristan Solarte [pen name of Guillermo Sanchez Borbon], writer of the well-known "In a Few Words" column published by LA PRENSA, is being intensely sought by members of the G-2 who have photographs of the columnist. The journalist has taken refuge in a safe location and he is refraining from writing his daily column.

Distribution vehicles of the newspapers LA ESTRELLA DE PANAMA and LA PRENSA were detained at the police checkpoint in Divisa for 4 hours over the weekend. They were not permitted to leave until dusk, and this harmed the circulation and sale of the two newspapers.

Panama City's Radio Continente has been the target of several power outages that have affected the broadcast of some opposition programs. The power suspiciously returns when the commentator's programs are scheduled to be over.

This was evident yesterday when the power outage occurred just when legislator Carlos Arellano Lennox was talking over the telephone with Dr Winston Spadafora who, from his home where is is on his hunger strike, was denouncing aspects of the government's repression of his relatives.

Journalism circles have learned of a draft law that the executive branch will introduce to gag the newspapers, radio, and television under the pretext of going after libel and slander. We would thus be returning to the time prior to the French laws of the 18th century that ended the censorship of thought.

COLUMNIST IMPLIES U.S. INVOLVED IN SPADAFORA CASE

PA041721 Panama City EL SIGLO in Spanish 4 Oct 85 p 4

["Political Colisseum" column by Baltazar Renan Aizpurua: "The Gringos and the Traitors to the Fatherland"]

[Text] We have responsibly maintained that the motive of the monstrous crime committed on the person of Dr Hugo Spadafora is political and is openly directed against the commander of the Defense Forces, General Manuel Antonio Noriega, who is an obstacle to the imperialist plans to keep its troops in the Panama Canal area beyond the year 2000.

But it is not only Noriega who is a patriotic containment wall, but the Panamanian armed institute itself, whose officers, classes, and troops know that their only objective is the defense of our territorial integrity and compliance with the historic commitment to safeguard the people's advances, summarized on the date that puts an end to the permanence of U.S. military boots in our homeland: 31 December 1999.

The North Americans have desperately tried to find traitors in Panama and, although they are very few, they have found them. These traitors are not only those who directly receive pay, but also those who in their ambition to reach power, would even sell their own mother.

Thus, it is not surprising that elements who demagogically now speak of justice for Hugo, and enthusiastically comment on the suspension of the "Thunderbirds" acrobatic flights, or the suspension of the USAID donations, should play along with this policy.

Nor it is surprising that those who once called Nicky Barletta "Fraudito" should now be upset about his resignation, as in the case of the employees of "Bobby" Eisenmann, who, knowing about the conspiracy of their boss against the Defense Forces (remember the Insurance Contracts of the IRHE) [Institute of Hydraulic Resources and Electrification], keep up their attacks against the military institute.

That is the reason for their insistence on the creation of a special investigating committee in the case of Hugo Spadafora; not precisely to find the truth, but to further confuse public opinion, because by making use of elements that suit their dastardly and capitulating political interests, they can manipulate their lies and intrigues more effectively. That is why they hastened to bring up "the possibility that one or several scapegoats may be presented, and on whose heads the act would be placed in order to silence the people's just indignation."

The position of the anti-national forces in the case of Hugo Spadafora is clear. Anything done or said to create confusion is good, as long as their game is not revealed, because then the Panamanian masses would bring them before the firing squad of their popular justice.

If the names of the theoretical and material authors of the horrible crime against Hugo Spadafora were to be publicly revealed, those same anti-national forces would try to defend them. And it would be correct under their viewpoint, as they come from their ranks, wherever they are.

COCINA SENDS LETTER TO CONTADORA GROUP MINISTERS

PA071453 Panama City EXTRA in Spanish 7 Oct 85 p 1

[Text] The directors of the Coordinating Board for National Civilianization (Cocina) and Dr Winston Spadafora Franco have sent a strong letter to the foreign ministers of the Contadora Group in which they say: "A regime of terror, intimidation, and death" has been installed within our borders.

Likewise, they say that the individuals who have been administering Panama since 1968 lack the moral authority to participate in any peacemaking effort, as they have placed their own personal interests ahead of the interests of the nation, thus causing harm to the nation.

The political, social, economic, and moral crisis of our nation has increased, in violation of all human rights, and the "latest crime" has been the death of Dr Hugo spadafora.

High-ranking military officers are involved in this crime, and they have therefore opposed the creation of a special commission to investigate the murder of the doctor-guerrilla which is being requested by "his own family and all thinking Panamanian sectors."

DOCTORS, TEACHERS STRIKE IN HERRERA PROVINCE

PA031905 Panama City Radio Cadena Millonaria in Spanish 1710 GMT 3 Oct 85

[Text] We have received reports that in Herrera Province there is a total strike by doctors and teachers. In addition, all private businessess in Herrera are on a 24-hour total strike.

In Penonome, parents will fast from 0600 until 1800 this afternoon together with their children, and the doctors and teachers. Then, a mass will be held at 0630 to pray for the five points of Cocina [Coordinating Board For National Civilianization], which are: respect for life, for peace, for justice, for the demilitarization of the country, and for democracy. Another mass will be held in Penonome on Friday morning, to pray that human rights will be respected.

Minister Issues Warning

PA061906 Panama City Televisora Nacional in Spanish 0000 GMT 6 Oct 85

[Text] Education Minister Manuel Solis Palma today informed the directors of secondary schools in the province of Panama that the school year will be ended if teachers continue fomenting strikes.

Solis Palma met with the directors of secondary schools in the province to review the situation in the education sector following the suspension of classes on Thursday and Friday of this week. Solis Palma was interviewed by journalists during a recess of his meeting with the directors. He said:

[Begin recording] First of all, we want the school year to finish, and we want it to finish as normally as possible. However, if there are movements to paralyze classes and to disrupt the school year, we have decided that the school year will be ended. If this occurs, we will decide what will be done regarding the promotion of students, because they will not lose the year. In the second place, if teachers should refuse to give the grades to the students, they will be sanctioned accordingly. This is considered a double transgression because it involves:)1 withholding information that belongs to another person, because the grade is the student's and not the teacher's property; 2) noncompliance with the regulations outlined in the school year's calendar, which states that all teachers must deliver the grades 5 days after the bimester ends. We are not going to tolerate disorder and unrestrained behavior that could have grave consequences for our country. It is our responsibility to maintain an atmosphere that will enable us to improve the current low educational level and this will not be possible if there is a state of warfare [estado de enguerrillamiento] in the Education Ministry. [end recording]

Regarding possible sanctions against teachers who do not comply with their responsibilities when classes are resumed next Monday, Solis Palma emphatically said:

[Begin recording] There are clear stipulations in the Administrative Code, which states -- and this was recently corroborated by the Attorney General -- that any government employee who does not report to work for 3 consecutive days without a valid reason can be fired for abandoning his duties. This provision prevails over any organic law, because regardless of the organic law, a teacher is a public employee same as any other government official. [end recording]

Normal School Year Urged

PA071729 Panama City LA ESTRELLA DE PANAMA in Spanish 7 Oct 85 pp 1, A 10

[Communique issued by The Ministry of Education in Panama City on 5 October]

[Text] The Education Ministry urges the national community, particularly parents, teachers and students, to join in sustained and responsible efforts to guarantee the normal continuation of the school year within the official calendar established in Decree No 17 of 28 March 1985.

Objectively, we consider that with a few exceptions in a limited number of schools in Panama City and Colon, the current academic year has gone by within a permanent atmosphere of optimum utilization of the school day. It is the responsibility of each and every Panamanian to contribute effectively to creating favorable conditions for work and study at the primary and secondary schools and to prevent situations and activities that may interfere with the fulfillment of this responsibility that we all share.

The Education Ministry deems it necessary and opportune to reiterate that the official school buildings throughout the republic are to be used exclusively for activities related to the teaching-learning process. It falls within the Education Ministry's jurisdiction to authorize the use of these facilities exclusively for educational and cultural activities for the benefit of the community.

Consequently, it is also necessary to reiterate that the Education Ministry will demand strict respect for and compliance with Resolution No 118 of 23 January 1985.

Manuel Solis Palma, minister of education Panama City, 5 October 1985

DEL VALLE MEETS WITH UNADE GROUP ON ECONOMY

PA040233 Panama City MATUTINO in Spanish 2 Oct 85 pp 1 a, 2 b

[By Roberto R. Rodriguez]

[Text] "I will not ask the international financial organizations for permission to promote national laws," President Eric del Valle said yesterday to the UNADE [National Democratic Union] legislators who went to the Presidential Palace to offer him their support. The president and the legislators held a work session yesterday on the laws of economic reactivation that the country needs and those concerning national development emphasizing the so-called and now famous "letter of intent."

The president of the legislative branch, Camilo Gozaine, commented on the president's statements and emphasized the president's stand to the effect that the laws will be consistent with the national interest and the country's socio-economic situation.

"You can tell the people that the letter of intent [to the IMF] is nothing but... an intention," emphasized Gozaine, as he quoted remarks President Del Valle made to the legislators. Gozaine pointed out that the president was emphatic when he assured them that "he will not ask the international banking sector for permission in order to issue laws."

Meanwhile, Planning and Economic Policy Minister Ricaurte Vasquez explained that the foreign debt refinancing program will be maintained because it is important to maintain continuity. He also explained that the changes must be directed within a defined economic policy that will obey the financial commitment and therefore as long as there is clear political thought [as published], there will be no problems.

PRESIDENTIAL CHANGE NOT TO AFFECT FOREIGN POLICY

PA041523 Panama City ACAN in Spanish 1756 GMT 2 Oct 85

[By Agustin de Gracia]

[Text] Panama City, 2 Oct (ACAN-EFE) -- The presidential change in Panama will "strengthen" this country's role in the peace negotiations of the Contadora Group, Deputy Foreign Minister Jose Maria Cabrera has stated. Nicolas Ardito Barletta was replaced this past weekend after almost 1 year at the head of the government, by Eric Arturo Del Valle, who was his first vice president.

In an interview with ACAN-EFE, Cabrera stated that the presidential "'succession' does not affect in the least the principles, objectives, and goals of Panama's foreign policy. Del Valle and his government are deeply committed to the negotiation process of the Contadora Group for a peaceful solution to the Central American crisis."

"This position," he added, "deserves the backing of the parties that compose the political alliance that won in the past (May 1984) elections, an alliance that represents the political basis of the government." Panama, Mexico, Colombia, and Venezuela compose the Contadora Group which was founded in January 1983 to search for a peaceful solution to the Central American crisis.

The Panamanian deputy foreign minister said that "there will not be a change for the worst" in his country's position on the peace negotiations for Central America. "Panama's role in the peace negotiations for Central America will be strengthened," he stated. The Panamanian official noted: "Resolving some internal problems has served to consolidate the role of Panama, which has gained more specific weight."

Sources from the Democratic Revolutionary Party (PRD), the political group to which Ardito Barletta belongs, have accused the former president of implementing a "very colorless" foreign policy. Nils Castro, a former adviser and foreign relations secretary of Ardito Barletta, has stated that during the past administration, Panama lost its "leading role" within the Contadora Group.

Venezuelan former President Carlos Andres Perez 2 days ago characterized the "forced resignation" of Ardito Barletta as "negative" and stated that it would be "grave and dramatic" if this were to negatively affect the peace negotiations for Central America. Venezuelan President Jaime Lusinchi has stated that the resignation is "deeply regrettable and negative." He noted: "I do not know if we will have to change the name of Contadora."

Next weekend there will be a meeting in this capital among plenipotentiaries of the Contadora Group and Central America to discuss the final details of the Contadora Act for Peace and Cooperation in the region. The delegates will have 45 days to complete the text of the document. According to Contadora sources, they have an "unpostponable" deadline because this was decided at the joint meeting of ministers that concluded in this capital on 13 September.

When asked about the possibility that the negotiations group could "lose all its ships" in this phase, Cabrera answered: "There are always lifeboats left."

COSTA RICA

MONGE CITED ON COUNTRY'S 'URGENT' PROBLEMS

PA041610 San Jose LA REPUBLICA in Spanish 25 Sep 85 p 6

[Text] Costa Rican President Luis Alberto Monge commented yesterday on the country's most urgent problems, stating: "We are not going to sacrifice the Costa Rican people because of the foreign debt." He said that the landownership problem "requires deep reforms." Here is a summary of President Monge's statements to the democratic workers.

Land: There are still deep reforms to be made in the country. The excessive concentration of the land [in the hands of a few people] urgently needs to be corrected.

Housing: With a shortage of 122,000 houses, the housing problem is still most urgent. It is necessary to solve the problem of families that do not have homes or money for rent. We have to provide homes to families living in degrading conditions.

Family breadbasket: We see the family breadbasket as a way to protect the workers' purchasing power, and this should be improved each day.

Labor law: The labor law must be reformed, although this is not the best time to do it.

Wages: I think that the wage law for public employees is good. Some changes are becoming necessary and should be made.

Education: It is necessary to pass a bill on education. My government has submitted such a bill, but it has not been approved.

Consumers: I sent to the Legislative Assembly a high priority bill for the protection of consumers. It is up to the Assembly to draft a new and up-to-date bill for the benefit of the workers.

Rural workers: The labor law should be amended so that rural workers are treated the same as city workers.

Banking system: I appointed a commission to make amendments to the nationalized banking system which has already submitted a report. It reiterates the concept of a mixed banking system, establishing the coexistence of state and private banks, which cannot receive current account deposits. Some reforms have been submitted such as: a) recovery and strengthening of administrative autonomy; b) general supervision of financing institutions; c) banking coordination; and d) emphasis on credit to specific areas. I am in favor of the cooperative private banks, the private bank, and the international bank. The banking law bill will be discussed soon.

Foreign debt: The negotiations on the foreign debt, some $4.3 billion, have been carried out according to strictly financial bases. We have not paid more than the country's financial situation permits. We are not going to submit to demands that will force us to sacrifice the people. Although Costa Rica can handle the situation, its position will be much easier to the extent that it joins its actions with other Latin American countries in the search for joint solutions.

Importance of Employment: In order to be valid, all the efforts of the government and state branches, all government programs must be oriented to guaranteeing and increasing democracy in every aspect of life.

Democracy is not established by decrees or specific measures. It is the essence of the human beings who comprise a social system which makes democracy valid and a reality. We must all guarantee and increase democracy.

Dignity and freedom of the individual should be the purpose of society and above all of the state. No specific measure can evaluate the worth of a worker as a person. The entire democratic structure of our society must constitute a great system of human coexistence that is based on the human being as the subject and goal of its functioning. An economic system, whatever its structure of production, can be justified only if it makes possible the liberation of all men.

Preservation of Democracy: The preservation of the democratic system, giving it economic and social content, is and has been my main concern since I joined the trade union ranks 38 years ago. That is a banner that I will never lower.

MINISTER REPORTS FOREIGN DEBT $4.5 BILLION

PA040447 Hamburg DPA in Spanish 2319 GMT 2 Oct 85

[Text] San Jose, 2 Oct (DPA) -- Costa Rica's foreign debt amounts to $4.5 billion, of which $4 billion is the public debt and $500 million the private debt, Minister of Finance Eugenio Rodriguez announced today. He added that "the foreign debt has increased by $1 billion in the last 3 years." He pointed out, however, that "Costa Rica's efforts with the world's commercial banks have improved, and it is possible that we will soon receive a loan for $57 million from those banks."

He also said that "we are up to date on interest payments, but we still have many years to go before we start paying principal." Rodriguez left today for Seoul, South Korea, to attend the World Bank and IMF meeting.

EL SALVADOR

MEDIA ASKED NOT TO REPORT ON DUARTE KIDNAPPING

PA072204 San Salvador Radio Cadena Sonora in Spanish 1700 GMT 7 Oct 85

[Text] Culture and Communications Minister Julio Adolfo Rey Prendes told representatives of the national and international press today that the government expects the national and international media to abstain from reporting anything about the kidnapping of President Jose Napoleon Duarte's daughter for the next few days because this might hinder the negotiations. Here are the minister's statements:

[Begin recording] We have kept you as informed as possible, but I think the time has come to ask a very special favor of all national and international reporters to temporarily suspend reports on the negotiations and transactions which, logically, you are taking from the guerrillas' radio stations and communications. This excessive publicity has complicated the negotiations for the release of Ines Guadalupe, Ana Cecilia, and the mayors. Therefore, we would like to see if we can suspend all information on the kidnapping for a certain time. Today is Monday, and what I would like is for us to meet again on Wednesday, when I can report to you just as I am reporting to you right now. In other words, I would like the information to come exclusively from me. Even if you hear information from other sources, I beg this of you so we can conduct the negotiations peacefully.

You are listening to the president's statements on CB radio, but you cannot hear what the kidnappers are saying. They are protesting the excessive publicity, even though they are to blame because they have been using a system that is very easy to monitor. Therefore, we are asking this favor during the next few days -- at least 24 hours -- actually all day today and tomorrow, Tuesday. On Wednesday we will meet here again at the same time to see how the situation is progressing. This does not mean that I cannot provide you with some information if you request it. You may bring your cameras at other times, and I can provide you with some information if you want to ask questions. However, I would beg of you not to use any other means of collecting information for the time being. Permit us about 24 hours to see if we can reach positive conclusions for the release of those kidnapped. This is what I am asking you on behalf of my government, out of frienship and concern. [end recording]

Concerning his request, Rey Prendes added:

[Begin recording] [Rey Prendes] I think it would be preferrable, and I have no objection to your reporting this if you would heed my request to abstain from giving any information. If you do not explain the situation, it would cause surprise, especially abroad. Here I will still provide you with whatever exclusive information I can so you would have some information.

I deeply regret if at some point you have been unable to make contacts, but there is also a problem of responsibility. Perhaps they [not identified] did not feel they had sufficient authority to report all that could be revealed, but you may ask questions now.

[Unidentified reporter] Is this also a demand from the group [words indistinct]?

[Rey Prendes] No, no, no. This is a plea by the government in an effort to continue the negotiations without all the details being known, as this could be harmful and the other side might decide to discontinue the negotiations. This problem worries us at this point. This is not a demand, it is a plea. [end recording]

Bishop Predicts Reprisals

PA050335 Panama City ACAN in Spanish 2341 GMT 4 Oct 85

[Text] Panama City, 4 Oct (ACAN-EFE) -- A Salvadoran bishop asserted today that a "wave of reprisals might be unleashed" in his country if the tacit agreement between the two sides not to touch the relatives of the persons directly involved in the struggle is not respected. San Salvador Auxiliary Bishop Msgr Gregorio Rosas Chavez was referring to the kidnapping of President Jose Napoleon Duarte's daughter, presumable perpetrated by a guerrilla group.

Rosas Chavez participated in a meeting of the Central American Episcopal Secretariat which began last Wednesday and concluded today in this capital and included the participation of bishops from the region. Thirty-five-year-old Ines Guadalupe Duarte was kidnapped on 10 September with a classmate, and her kidnappers have offered to exchange her for 34 imprisoned guerrilla members, according to unofficial sources which have not been refuted by the government.

Even though no rebel group has publicly claimed responsiblity for the kidnapping, "it is an open secret" that the authors are members of a guerrilla organization, Bishop Rosas Chavez told ACAN-EFE. "it is obvious that the guerrilla groups did it," the Salvadoran bishop asserted.

According to the official communique, the bishops studied various religious and educational matters during the meeting, and "analyzed the situation in their respective countries concerning religious matters and other areas at national level." In addition to Rosas Chavez, the meeting was also attended by the archbishops of San Salvador, Guatemala City, San Jose, and Panama City: Arturo Rivera y Damas, Prospero Penados, Roman Arieta, and Marcos McGrath, respectively.

Rivera y Damas Views Demands

PA070409 San Salvador Radio Candena YSU in Spanish 0045 GMT 7 Oct 85

[Interview with Msgr Arturo Rivera y Damas by local and foreign correspondents on 7 October in San Salvador -- recorded)

[Text] [Question] Monsignor, is it true that you flew in the same plane to Panama with the Zepedas [rebels released by the government] a few days ago?

[Rivera y Damas] Yes, they were on the same plane.

[Question] When will Costa Rican Julio Talavera be released? Will the church be involved?

[Rivera y Damas] They have not told us anything; however, I think that the decree goes into effect 8 days after its publication in the OFFICIAL GAZETTE, unless an exception is made in this case.

[Question] Monsignor, does the church have any evidence that the bodies of two women found in Nueva Guadalupe, San Miguel Department, on 31 December 1984 are the two fighters the church has been trying to locate?

[Rivera y Damas] According to reports we have received from official sources, one of those bodies is not Yaneth Samur. This has been confirmed by a person who not only has the technical knowledge to make such statement but who is also a relative of the victim.

[Question] Monsignor, according to a radio report yesterday, the government still does not know the whereabouts of some of the persons the rebels want released; therefore, it is possible that the release of President Duarte's daughter will take more time.

[Rivera y Damas] That is precisely what I said in my homily. I said they should ask for things that can be granted in order to expedite the freedom process. If we ask for things that cannot be granted, then we cannot talk about a real desire to negotiate.

[Question] Then, according to what you have said, some of the rebels 'demands cannot be met; is that right?

[Rivera y Damas] From what I have heard thus far, in some cases it is impossible to know for sure what happened to the people in question.

[Question] In view of the close contacts that you have with these cases, what do you think happened to Yaneth and Efrain Villalta?

[Ribera y Damas] I think Yaneth is dead, but I could not say who killed her.

[Question] What about Efrain Villata?

[Rivera y Damas] He disappeared after his arrest. I think there are some cases in which it will be necessary to provde an explanation.

CASTILLO CLARAMOUNT ADDRESSES UN 2 OCT

PA032009 San Salvador Domestic Service in Spanish 1937 GMT 2 Oct 85

[Speech by Vice President and Foreign Minister Rodolfo Antonio Castillo Claramount to the UN General Assembly on 2 October -- live]

[Excerpts] Mr President, the Central American situation has been the object of much attention from the international community in the past few years. I believe this is a suitable and very important occasion to present and explain to the honorable delegations of the world, as President Jose Napoleon Duarte did in 1984, matters related to our internal situation, including the advances that have been made in the political process, the measures and efforts to strengthen democracy, and my country's position on the regional situation. These are aspects that in the current situation are fundamental for establishing our policies.

International problems and conflicts of various natures that affect the political, economic, and social structures of the nations of the world -- problems that have been presented by the distinguished speakers who preceded me -- are a source of concern for us. For this reason I want to establish El Salvador's position on important international issues. Mr President, El Salvador's international relations are based on a policy of principles in line with our concept of a just and harmonious society based on understanding, good faith, and cooperation, not on inequality, poverty, or exploitation.

In addition to this, El Salvador, as a small and underdeveloped country, faces internal and external challenges that are threatening our very identity and our sense of independence and liberty. These threats come from groups that want to seize power through force and from foreign meddling and antidemocratic ideologies.

In the international field, I believe it is necessary to reiterate the importance of struggling to establish relations between people and nations based on such basic philosophical postulates of international law as the juridical equality of states, the right to self-determination, nonintervention in domestic affairs, universal and democratic international relations, the peaceful solution of controversies, the defense of civil and political rights, and other principles that would produce harmonious relations if they were consciously respected and applied by all the nations. These relations could become the very foundations of peace and cooperation, which are the conditions necessary for achieving the objective of evolving toward greater international social justice.

Mr President, no one at this forum ignores the inequalities that small and underdeveloped countries have to endure or the difficulties these countries have to face to resolve the problems that affect and impede their development. This is where the international aspect of development gains weight as an essential factor. The creation of a new international economic order must stop being a dream and become a reality in order to overcome the unequal relations among states -- a situation that has been the cause of huge inequalities and some of the tense situations being endured by the international community.

For this reason we should unite, not only in favor of restructuring trade relations and eliminating protectionist barriers in the industrialized countries, but also in order to circulate information, transfer science and technology, and adjust treaties to the requirements of development to overcome situations, such as the foreign debt, that limit and block our countries' progress and become elements of pressure and grave social and political instability.

For this reason we believe that the debt issue should be given priority attention and that it should be examined not only from the economic but also from the political viewpoint. Accounting aspects must make room for social justice aspects, because this is the only road leading to internal peace and the safeguarding of democratic institutions.

This spirit of understanding, solidarity, and cooperation could become more evident in the framework of the North-South dialogue, in which El Salvador is in solidarity with the other developing countries carrying out activities to promote and adopt development measures within the Group of 77.

We believe that this process of changes would be the best way to resolve gradually the various problems and situations of tension affecting the world. Nevertheless, I want to emphasize and reiterate that advances and achievements will be made only if links of solidarity, international cooperation, and awareness are established to break the chains of backwardness and poverty being endured by the majority of the people on earth. In this regard, we call for just economic models and integration processes [words indistinct].

Mr President, in spite of the will and efforts of the United Nations, the international community is constantly under the threat of a great war because of conflicts, tensions, and attitudes that are in violation of the UN Charter and endanger international peace and security. In view of this situation, I want to reiterate our trust in and support for the principles and objectives of the Charter and the organization itself. Without the United Nations' contribution to peace and a better world for mankind, this would be a more insecure and gloomy world.

I will now refer to the factors that determine our policies at the historic time in which we live. Going against the plans, terrorist actions, and historic interpretations of the extreme left and the ultraright regarding the democratic process we initiated in 1979 -- a process that was strengthened and legalized through the Constituent Assembly elections in 1982, the presidential elections in 1984, and the deputy and municipal council elections this year -- my government has maintained that it is feasible to promote a democratic process responsive to the will and interests of the Salvadoran people both philosophically and politically.

In this framework, pluralism, representatives, participation, social justice, equity, and common well-being are stabilizing and amalgamating elements for a new society where individuals as well as society are the beneficiaries of social and state actions, just as our Constitution establishes. This represents a historic national alternative to the crisis. This offers options for a peaceful and integral solution that would contribute to the consolidation of the democratic process and institutionality of the republic.

In order to consolidate this process, El Salvador is developing and improving the most integral agrarian reform in Latin America. It nationalized the banking and financial systems as well as foreign trade for the purpose of structuring our policies and our resources in a search for a more just, democratic, participative, and unified society that would work for the well-being of society as a whole and of the individuals as an essential part of the whole.

Mr President, in a world where human rights are so often violated, integral promotion and protection of human rights represent a fundamental element of our government's philosophy, and for this reason our Constitution clearly addresses human rights. Human rights are at the top of our list of goals following our past history of shame, repression, and poverty, which the majority of our people have endured. For this reason, in the framework of our political plans, the full defense of these rights is one of our main objectives, because these rights are intrinsic to human beings and are the basis of democracy which is founded on individuals and respect for and protection of their inalienable rights.

In line with these objectives, Legislative Decree No 53 was recently issued. This decree approved a bill for the creation of a commission to investigate criminal activities. This commission has the responsibility of investigating crimes of certain significance which could have grave effects on the country's public and social order. In order to guarantee the rights and fundamental liberties of the Salvadoran people. El Salvador has promoted active educational programs and institutional awareness [words indistinct] to improve the human rights situation of the Salvadoran people. In this regard, the government is making efforts to reform the judicial system. It has created a special commission to review the judicial system, and it is expected that there will soon be greater capability and efficiency, which is what Salvadoran society wants.

However, these efforts are not being acknowledged. On the contrary, they are being questioned by extremists who are guided by ideas contrary to our historical and cultural identity and democratic aspirations and want to seize power by way of violence, by creating terror and destruction with an illegal and irrational use of force.

My government, presided over by Jose Napoleon Duarte, has adopted measures that have substantially improved the conditions that permit the enjoyment of human rights. These conditions will improve even more as the internal situation throughout the national territory becomes normal. This opinion is shared by various governments and organizations that have analyzed the human rights situation and freedoms in El Salvador. This has brought about acknowledgement of the efforts we are making.

Mr President, traditionally human rights violations are charged against governments. The reason for those violations are political and ideological. In the case of El Salvador, various governments and international organizations, both public and private, have verified and acknowledged the fact that the armed groups opposed to the legally constituted government have violated the fundamental human rights of our people.

For this reason I believe it is appropriate to note two recent events in El Salvador that have shocked the people and have been condemned by national and international sectors. I am referring to the kidnapping by the FMLN of more than 21 mayors from cities in the country's east. Those mayors were freely and democratically elected by the people in March of this year.

More recent yet is the kidnapping of Mrs Ines Guadalupe Duarte Duran, a barbaric action. In that action Miss Ana Cecilia Villedas Sosa was also kidnapped, a security agent was murdered, and another was seriously wounded. This action also endangered the lives of other persons.

These activities, because of their nature, are labelled terrorist. They represent a violation of fundamental human rights and liberties. These acts demonstrate an insane ethical attitude, at a time when the terrorist guerrillas are attempting to justify their criminal activities, claiming they are revolutionary actions that have an alleged morality, which no one believes any longer.

For this reason we request the firm solidarity of the international community to condemn all forms of terrorism, national or international, in order to promote and protect human rights, since we are sure that interests and opposite ideological and political positions cannot serve as justification for supporting actions that are repudiated by the international community, which is the case of criminal attacks on innocent people for political purposes.

Mr President, we have made clear decisions and have hopes for a better future for the Salvadoran people. For this reason we have been making great efforts aimed at five big objectives that represent guidelines necessary to achieve peace, which is the basic aspiration of the Salvadoran people. We are working to secure a humanization of the conflict, a pacification based on a sincere dialogue and not on tactics, a democratization by encouraging the participation of all social sectors in the pluralist framework which we are promoting, the participation of the people by means of the social pact that has been proposed to the nation, and economic reactivation aimed at stabilizing our country for the basic purpose of being able to face the problems that affect the majority of the people.

At the same time we are trying to overcome the structural roots of social violence, we have accepted the challenge of humanizing the conflict as a counterproposal to the armed opposition, which, with an outdated interpretation of the historic situation we are enduring, has decided to continue with its prolonged people's war strategy, with indiscriminate terrorism, sabotage, and the destruction of lives and public and private property in a senseless and antipatriotic effort to block and distort a democratic effort that represents the only true historic option our people have.

Mr President, the various elections in which the Salvadoran people have participated massively, with many international observers in attendance, allows us to state freely in front of nationals and foreigners alike that our democratic process is unquestionably legitimate. Our political project has the objective of promoting a dynamic process aimed at a free and just society, based on responsible and active participation of our society in state matters. For this reason our basic task is always to defend and improve the real foundation and ethical principles of a democratic, participative, and pluralist society.

Mr President, during the 39th session of this General Assembly the president of El Salvador offered the armed groups in our country a peace proposal that called for dialogue to achieve national reconciliation in the framework of democracy, justice, and equality and in the framework of our Constitution for the purpose of creating and giving them political room to join in the great task of democratizing the fatherland.

In line with the big objectives of participation and democratization and based on the promise made at this forum, on 15 October 1984 the first meeting between representatives of the Salvadoran Government and the FMLN-FDR was held in the town of La Palma, Chalatenango.

The purpose of the meeting was to initiate a dialogue that would be characterized by sincerity, honesty, and good will in order to reach understanding and would not be a tactical dialogue to gain positions.

Our position in favor of a constructive dialogue is still our rule. This is not the feeling among the extremist groups. Their attitude became evident at the second meeting, in Ayagualo, La Libertad Department, on 30 November 1984. On that occasion they took advantage of the opportunity to incite violence and not to strengthen the road to peace we have proposed.

Generally speaking, the extremist groups demanded at Ayagualo the unconditional surrender of a legitimate government. In this way, despite misinformation about the dialogue which they later disseminated abroad, the FMLN-FDR leadership set up a serious obstacle to peace because they wanted to use the dialogue strategically to gather their forces for their overall, extended popular war against our people and the institutions. Despite this, the government considers the dialogue a permanent and feasible means for a rational solution to the conflict. The dialogue must be continued sincerely and willingly in order to attain peace. Consequently, I reiterate from this forum my government's willingness to continue its efforts toward pacification, even through dialogue.

The situation in Central America: Mr President, peace in the region will not be possible so long as the law is invoked for some states unilaterally and at the same time an interventionist policy is fostered to support illegal armed groups that seek to depose legitimate governments to impose a social system characterized by the state's totalitarian rule of men's activities. Consequently, on many occasion we have denounced at various forums the Sandinist government of Nicaragua for turning its territory into a sanctuary for Salvadoran subversion. The extreme-left armed groups rest, reequip themselves, and train there; logistically aid for the guerrillas is being coordinated and sent to El Salvador from there. Nicaragua has thus become a destabilizing factor in Central America which hinders the peace efforts, as proved last June in Panama City, where its delegates boycotted the meeting convoked within the framework of the Contadora initiative by refusing to discuss a previously approved agenda.

Mr President, to create objective conditions that strengthen the path toward regional peace, it is necessary for the governments, specifically Nicaragua's, to orient their strength and express their willingness to take mutual measures to reduce and eliminate the conflict and provocative factors. In addition, the government must try to encourage an orientation that separates the region from the implications and influence of the East-West conflict through verifiable measures to eliminate interventionist factors and allow our peoples to choose their own democratic development methods.

Because of these aspirations, I respectfully urge the Nicaraguan Government to resume in good faith the peace negotiations to discuss and conclude the pending accords related to national reconciliation through talks with the armed and political opposition that will lead to the establishment of a democratic, pluralist, and representative system. In addition, the talks would include a discussion on the limitation and reduction of arms and troops, as well as international verification and control of the accords to be reached.

Mr President, El Salvador reiterates its trust in the peace initiative of the Contadora Group, formed by Venezuela, Colombia, Panama, and Mexico and currently reinforced by the support group formed by Brazil,Argentina, Peru, and Uruguay. This constitutes an additional demonstration of the specific support for this effort by the Inter-American system, international organizations, and the international community at large.

We assert that Contadora continues to be the most feasible alternative for a regional dialogue based on the original objectives of the document for peace and cooperation in Central America. This dialogue would unite our countries' stances and interests. Our countries are the main characters in this dialogue. In this way a consensus and an overall, simultaneous accord would be possible in the region. El Salvador still pledges its allegiance to the Contadora Group's effort and resserts its willingness and good faith to reactivate the dialogue and the negotiation of the pending issues. In addition, El Salvador reasserts its determination to attain regional, lasting peace among Central American peoples so that we can determine and shape our own historical destiny in freedom with the integrationist and united spirit that must prevail without intervention or foreign influence of any kind.

Mr President, a common desire for peace led us to negotiate with Honduras. This is why we initiated the 1980 negotiation process and outlined a working program to discuss the seven points that had been entrusted to the mediator in accordance with the mediation agreement signed in Washington in 1976 and the resolutions of the OAS's 13th consultation meeting. The best fruit of these negotiations was the signing of the general peace treaty between El Salvador and Honduras in 1980. According to this treaty, we have progressed in the discussion of most of the basic points set forth. Now we must solve the problem of the border delimination as one of the main points of our national interest to the spirit and letter of the treaty. We have made progress in the fulfillment of provisions and procedures established by this instrument. The mixed border commission works as scheduled in order to find -- within the deadline set forth -- the solution to the border problem and thus strengthen the process toward true peace, solidarity, and cooperation in the region.

Mr President, I hereby make an urgent appeal for the effective achievement of peace, freedom, justice, equality, solidarity, cooperation, and the strengthening of our spiritual and moral values as the only alternative -- and the most desirable -- that appears before us to avoid confrontation and discouragement. I want to conclude by reiterating our exhortation to the international community to identify and express its solidarity -- in a common front -- against all forms of terrorism which currently constitutes a scourge on mankind and must be eradicated to strengthen man's dignity and peaceful, harmonious coexistence among nations.

Thank you very much, Mr President.

BLANDON COMMENTS ON TRANSPORTATION BAN

PA080003 San Salvador LA PRENSA GRAFICA in Spanish 7 Oct 85 pp 3, 32

[Text] Specialized troops, combined with other units, are participating in patrol operations to protect users of the public transportation system. FMLN-FDR terrorists began a new ban against the transportation sector in general last Friday in an attempt to gain notoriety abroad.

This was noted by Armed Forces Chief of Staff General Adolfo O. Blandon, who referred to the Army's routine work. He said that FMLN-FDR terrorists continue to talk about seeking peace through a dialogue, but they do not cease to attack the people and hinder their activities.

He said that on this new occasion the FMLN subversives will seek to perpetrate more grief and inflict more damage on the poor people's economy by attacking the transportation sector. The Army will act positively, according to the Blandon, by offering security to transporation sector owners, drivers, and users.

He indicated that the Army's military capacity is undeniable, although it is numerically impossible to deploy troops on all highways to nullify the subversive actions. The officer said that the Armed Forces are working according to their possibilities, guaranteeing the citizens' freedom of action. He asserted that Salvadoran citizens and the international community are fully aware of the effective role being played by the Army to counter the negative activities of the FMLN-FDR subversives.

He said that these groups do not put up a fight; they simply attack treacherously and flee in disarray to hide in previously chosen places. Referring to the ban against the transportation sector, he said that the subversive attitude is similar to other activities, because the FMLN-FDR groups choose the appropriate places for their attacks and flee when regular troops approach.

Salvadoran Archbishop Monsignor Arturo Rivera y Damas has also condemned the ban. The prelate recalled that the damages are suffered directly by the poor people, because they cannot rent airplanes or helicopters to travel.

Air Force Units Patrolling

PA070419 San Salvador Radio Cadena YSU in Spanish 0045 GMT 7 Oct 85

[Text] Salvadoran Air Force units are patrolling the national territory to prevent sabotage activities. Helicopters have been taking off constantly during the past few hours from Ilopango Airport for other parts of the country, official sources disclosed today.

Air Force units are patrolling the country's roads to prevent the rebels from destroying vehicles. The helicopters are also supporting the infantry units participating in counterinsurgency operations in the Departments of Morazam San Vicente, Chalatenango, and Usulutan.

FMLN Announces Mining of Roads

PA071848 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 7 Oct 85

[Text] Attention, much attention to this information regarding the national transportation stoppage. Attention. We report that our guerrilla units will mine the roads during the next few hours to prevent enemy troops and the dictatorship's armoured vehicles from circulating. We repeat: Our units will mine the roads throughout the country during the next few hours in order to prevent the movement of enemy troops and armored vehicles.

We urge the population not to use the roads throughout the country during the national transportation stoppage.

Venceremos Terms Ban 'Successful'

PA072021 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 7 Oct 85

[Excerpts] Attention, much attention Salvadoran people. Attention, here are reports arriving in Radio Venceremos from various parts of the country. Reports from the Panamerican Highway, the Coastal Highway, the Military Route, and secondary roads in the eastern region state that international transportation is 100-percent paralyzed. Reports now arriving in Radio Venceremos state that the international commercial traffic is 100-percent paralyzed at the border.

In addition, we have been informed from the northern part of the country that the ban on the Northern Trunk Highway has been successful. We have managed to stop 95 percent of the shipments of fuel, raw materials, and export products, which represents millions of dollars in losses for the Duartist war economy.

Here are more reports on the national transportation ban of indefinite duration. At 1000 on 5 October a guerrilla unit of the FMLN's Jacobo Campos Valle column -- within the framework of the national transportation stoppage campaign -- sabotaged the railroad system near the Nejapa railroad station. As a result of this successful operation, our guerrilla units completely destroyed an engine near the Nejapa railroad station. The national railroad was another target of our sabotage on the 3d day of our successful national transportation ban.

In addition, on 6 October an FMLN guerrilla unit took control of the Military Route near the Arenera Canton for 6 hours, sabotaging four power pylons and a transformer. The enemy did not arrive. Our guerrilla units took control of the military road at 0100 and have reported that the international cargo transportation is 100 percent paralyzed. Our guerrilla units maintained control over the Military Route for 6 hours.

GUATEMALA

MEJIA COMMENTS ON POLITICAL, ECONOMIC ISSUES

PA071316 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 4 Oct 85

[Text] According to our correspondent (Joel Paz Latona), 64 students who were reportedly captured last night at the Normal Coeducational Institute [Instituto Normal Mixto] in San Marcos for having occupied the institute's building to demonstrate their opposition to the system of systematic advancement were referred to courts in that department today. The 64 students were referred to a common court while 11 other students were placed in the care of their parents because they are minors, it was reported.

This afternoon, the Army issued a communique denying that its personnel arrested the students in San Marcos as the press had reported. The Army bulletin added that it is also known from press reports that the arrests were made by the police and that the arrested students are reportedly being returned to their parents. Finally, the Army says that its duty is to safeguard the country's sovereignty and peace.

Today, head of state General Oscar Mejia Victores said emphatically that there will be no more pay raises for the teachers.

[Begin recording] [Mejia] Not any more. I know how the country's economic situation is and that no further raises can be granted. [Question indistinct]

[Mejia] No change will be made in the government resolution that provides the emergency bonus of 50 quetzales. So, there will be no change. [end recording]

The head of state said today that the Guatemalan Christian Democratic [DCG] party has not fulfilled its promise to disclose the names of the people who are presumably involved in a plot to assassinate DCG presidential candidate Vinicio Cerezo Arevalo. Recently, the DCG reported the apparent existence of this plot and announced that it would give the names of the plotters to leading government authorities to permit an exhaustive investigation to be conducted. However, Mejia, who revealed that he has also been threatened, noted today that the DCG has not given any concrete information on the people allegedly involved in the plot against Cerezo.

[Begin recording] [Mejia] No. I was told that they would give names but they have not done so. In fact, we are even trying to find out who wants to kill me, too, because I have also received threats of this type.

[Unidentified reporter] Some people want to kill you?

[Mejia] Yes. I think so.

[Reporter] Have you received threats?

[Mejia] Yes. We have received threats.

[Reporter] Who is threatening you?

[Mejia] What? Oh, organizations. I would like to know who these people are. [passage indistinct] [end recording]

Mejia urged the DCG to disclose the name of the senior police officer who is said to be trying to damage the DCG politically through a report on the recent killing of five people at El Patio Building. The report says that documents dealing with financial transactions signed by DCG presidential candidate Cerezo were found in the office where the crime was committed. The DCG claims that the report is aimed at hurting Cerezo politically and that a police chief is involved in the scheme, but it has not revealed his name, which, Mejia said, is unfortunate.

[Begin Mejia recording] This is the bad part of these situations. Nobody has the strength of character to spell things out. They are mentioned only when an institution, in this case the government, is affected, but nobody says why or proves them. (end recording]

Gen Mejia reiterated today that the government respects the views expressed by the Guatemalan episcopate in the pastoral letter it issued this week in connection with the forthcoming elections. The document issued by the bishops notes that some of the country's sectors are not included within the democratic opening, the term used by the government to describe this political event. The pastoral letter adds that the civil defense patrols may be influenced in favor of a specific candidate in the elections. Mejia had the following to say regarding the opinions aired by the Catholic bishops in the letter.

[Begin Mejia recording] We are in the midst of a political campaign and anyone, since this is an utterance... [changes thought] This pastoral letter provides guidance about the future of the elections. Any person or institution can say what he or it sees fit. There has been freedom of speech since the beginning of my administration, and no one has been criticized for what he says.

Everyone has published their communiques, pastoral letters, and paid ads. Even the PGT [Guatemalan Labor Party] published one recently. Why should the episcopal conference not do so?

Now then, the letter contained some paragraphs which... [changes thought] I read it carefully and, in some of its paragraphs, maybe they are forgetting, or are acting like Saint Thomas, who said: Seeing is believing. Yet, they have already seen that clean and pure elections were held on 1 July 1984. Therefore, wait until the 3d [month not specified] and you will see. And do not forget that one must believe without seeing, as Christ said. They still do not believe, and have already seen. The election for the Constituent Assembly was held on 1 July 1984 and nobody filed any complaint or claimed that a member of the Civil Defense was pressured. Their mission is to protect their communities, not to take partisan stands or to vote under orders for a given slate, because we have none. [end recording]

Mejia said today that the government has ruled out the possibility of decreeing a linkage between the quetzal's exchange rate and the U.S. dollar as recommended by Oscar Alvarez Marroquin, former president of the Bank of Guatemala, who yesterday stepped down from his post after tendering his resignation.

[Begin Mejia recording] The fact is, as the professional and expert he is, he had to make recommendations and did not go any further. I made the decisions. Therefore, he made his recommendation, and recommended something that did not suit me and that I believe would not suit any government. This matter is the linkage of the exchange rate or monetary standardization means nothing but hikes in prices, which, in the case of fuel, would be tripled or quadrupled. I do not know if the Guatemalan people would be in a position to pay 10 quetzales for a gallon of gasoline. I do not know if housewives would be in a position to pay [figures indistinct] for a bottle of gas that is costing [words indistinct] pay 60 or 70 quetzales for the same thing. I do not know if everybody would be ready to [words indistinct] the parallel or free market, as it is called. The price of diesel oil would be three or four times higher. This would set off a chain reaction that would drive up electricity, water, and transportation rates, etc.

And I do not think that Guatemala is prepared to accept recommendations like that of linkage of the exchange rate. This would place not only the government but the country in jeopardy, and I think that the government must think in political, not technical, terms in some cases. This may have been technically acceptable to them. However, bringing about such a situation is politically unacceptable in any country. [end recording]

YOUTHS FORCIBLY DRAFTED BY ARMY AT MLN RALLY

PA041425 Guatemala City PRENSA LIBRE in Spanish 1 Oct 85 p 4

[Text] We regret that the Army recruited youths for military service during the National Liberation Movement (MLN) rally held this past weekend at Columba. We are therefore going to protest before the Defense Ministry, the party's secretary general, Dr Hector Aragon Quinones, said yesterday.

There were thousands of supporters of presidential candidate Mario Sandoval Alarcon at the rally, including many 18-year-olds who must join the service. This, however, does not justify the Army taking advantage of the occasion in order to draft the youths, which caused some disorder as many of them ran. The Army was only able "to catch" approximately 60 youths.

This situation, which we can describe as abnormal, has only taken place during the MLN rallies during the campaign of Mario and Jaime [no last name as published], candidates for president and vice president, respectively.

FAR GUERRILLAS DAMAGE HELICOPTER GUNSHIP

PA041837 Guatemala City PRENSA LIBRE in Spanish 1 Oct 85 p 5

[Text] A Guatemalan Army helicopter was damaged by a rebel attack on 25 September in Peten Department, a telex [as heard] from the Rebel Armed Forces (FAR) has reported.

The communique states that a helicopter gunship tried to dislodge some FAR positions after members of the Mardoqueo Guardado Front occupied a stretch of the Flores-Ayaxche highway for 8 hours. The same telex reported on other activities in the same area of northern Guatemala.

HONDURAS

SUAZO CORDOVA REPORTEDLY HOSPITALIZED BRIEFLY

Spokesman Denies Reports

PA071812 Panama City ACAN in Spanish 1743 GMT 7 Oct 85

[Text] Tegucigalpa, 7 Oct (ACAN-EFE) -- The Press Secretariat of the Honduran Presidency today denied insistent press reports that President Roberto Suazo Cordova is ill and has been hospitalized.

The reports began to circulate last Friday when the newspaper EL HERALDO indicated that the president was ill and, therefore, had not appeared in public for 1 week.

Today the newspaper LA PRENSA affirmed that Suazo Cordova is suffering from a heart ailment and is hospitalized in Palmerola, Comayagua, in the central part of the country, where the North Americans maintain a field military hospital.

The same paper affirmed that according to investigations -- it did not cite any source whatsoever -- three U.S. cardiologists from the U.S. Walter Reed Military Hospital, based in Washington, arrived in Palmerola to treat Suazo Cordova.

In a humorous tone of voice, the spokesman of the presidential press office told ACAN-EFE: "It is all an invention. President Suazo is completely healthy at his home in La Paz, and the only doctor he has seen is himself reflected in the mirror when he shaves in the morning." Suazo Cordova is a doctor by profession and always rests in his hometown of La Paz, 30 km southeast of Comayagua.

The Honduran president suffered a heart attack 2 years ago, which forced him to be hospitalized in the city of Comayagua in a private clinic and later transferred to Walter Reed Hospital in Washington.

Check-up at Palmerola Alleged

PA080102 San Pedro Sula LA PRENSA in Spanish 7 Oct 85 p 6

[Text] Tegucigalpa -- Sources close to the administration reported last weekend that the president of the Republic received a medical checkup at the hospital in Palmerola when a minor cardiac problem was detected.

The sources, who spoke under the condition that they not be identified, asserted that a U.S. specialist, presumably from Washington, treated the president and that Suazo Cordova spent several hours in the military hospital at Palmerola during the checkup. This would explain why President Suazo Cordona did not attend the Armed Forces commemorative event on 3 October.

Meanwhile, the leaders of the Rodista Liberal Movement (MLR), who endorse Oscar Mejia Arellano's presidential candidacy, as well as the candidate himself, unexpectedly canceled their political tour of the northern coast and Yoro even though they had officially announced the visit.

There has been no official announcement about the president's health. Persons close to Dr Suazo Cordova have denied this report, claiming that on Saturday he walked 4 km in his native city. However, when asked for pictures or some other evidence of this unusual walk, they answered that they had none.

SHOOTING INCIDENT AT BU GIRON RALLY; NO INJURIES

PA071721 [Editorial Report] Tegucigalpa Cadena Audio Video in Spanish at 1145 GMT on 7 October broadcasts a report on a shooting incident yesterday during a campaign rally to promote the presidential candidacy of Efrain Bu Giron, president of the Honduran National Congress and candidate of one of the several factions of the Liberal Party of Honduras. The incident took place in San Jose de Comayagua, approximately 150 km northwest of Tegucigalpa, in Comayagua Department.

The announcer begins the report by stating that Bu Giron "was nearly killed yesterday" at "a shootout" during a San Jose de Comayagua rally.

The report includes a phone call from Bu Giron supporter Rigoberto Perez Varela, who opens his telephone statement indicating that he is a candidate for deputy and goes on to offer his version of the incidents. He reports that supporters of Jose Azcona del Hoyo, presidential candidate of another faction of the Liberal Party of Honduras, intercepted the Giron motorcade "on the main street leading to the town plaza of San Jose de Comayagua," and adds: "That is when the tragedy almost happened. Shots were fired with a .38 caliber pistol from a window of a house overlooking the square and then from a truck transporting Azcona supporters. In front of the square an unidentified youth pulled out a .22 caliber revolver and fired." He continues his statement making reference to reports that indicate he also fired shots, and says: "I must have been mistaken for somebody else. Yesterday I did not even have a razor blade in my pocket, let alone a revolver."

The report continues with a live phone call from Azcona supporter Orlando Vielas, who says: "What Rigoberto Perez Varela said is not true. The Azcona movement had a tour to present its deputy candidates in Taulabe and San Jose de Guayabal. When we arrived in San Jose de Comayagua a youth and other people were posted there with sticks and would not let us go by. A man fired several shots from a window. Rigoberto Perez Varela, who was with four other men, pulled out a gun and shouted: 'Whoever touches me is a dead man!' We were unarmed." He continues: "I do not know who fired the three shots from the window. At the square Rigoberto Perez Varela fired two shots, and then three more. That is what happened."

The report ends with a live telephone statement by presidential candidate Efrain Bu Giron. The announcer asks him to say what really happened and "who should be held responsible for this grave incident that almost ended tragically."

Bugiron responds: "We set up our rally in front of the church, at the square. The Azcona supporters attempted to make us vacate the area claiming that they were to hold their rally there. Then shots were fired; not against me or anyone in particular. The shots were fired into the air, to intimidate us. I then approached Azcona supporter Carlos Salgado. I asked that they hold their rally on the other side, which they did. However, the Azcona people started the problem. Azcona was not there. That is what happened."

NICARAGUA

PROTEST SENT TO COSTA RICA ON 7 OCT ATTACK

PA080333 Managua Domestic Service in Spanish 0300 GMT 8 Oct 85

[Protest note from Nicaraguan Foreign Minister Father Miguel D'Escoto Brockman to Costa Rican Foreign Minister Carlos Jose Gutierrez; dated 7 October]

[Text] Mr Minister, I address your excellency to refer to the following grave events: At 1800 today, 7 October, an unspecified number of mercenaries stationed in Sarapiqui, in Costa Rican territory, attacked our territory with rifles of various caliber, rockets, cannons, and 57 mm mortars. Upon presenting its very formal and vigorous protest over this new attack, the Nicaraguan Government points out to the minister the seriousness of these actions that indicate the urgent need for Costa Rican authorities to prevent the constant attacks that the Nicaraguan people have been suffering.

Once again the Nicaraguan Government reiterates its willingness to hold bilateral talks with the Costa Rican Government to find lasting solutions, such as the creation of a neutral zone. I take this opportunity to reiterate to your excellency my deepest appreciation.

[Signed] Miguel D'Escoto Brockman, foreign minister

RAMIREZ TOURING REGION, CITES POSSIBLE INVASION

PA070303 Buenos Aires REUTER in Spanish 0131 GMT 7 Oct 85

[Text] Managua, 6 Oct (REUTER) -- The Presidency's Information Office has reported that Nicaragua's Vice President Sergio Ramirez traveled to Argentina today, where he will meet with President Raul Alfonsin tomorrow. They will discuss the progress toward peace of the Contadora Group process, which will embark on a new and important phase tomorrow in Panama, and the problem of Nicaragua's foreign debt, which is attributed to the aggression suffered by the country.

Upon returning from a trip to Colombia and Panama last night, Vice President Ramirez said that the presidents of those countries, Belisario Betancur and Eric Del Valle, promised that they would support within the Contadora Group a Nicaraguan request to send a special commission to carry out an in situ investigation of the reported 2,500 rightist rebels supported by the United States poised to invade Nicaragua.

Nicaragua also reported that two Honduran Army companies joined those forces and could support the contra rebels to provoke a violent confrontation between Honduran and Nicaragua that could be used as a pretext to justify a direct U.S. intervention.

Ramirez said here last night that he told the presidents of Colombia and Panama will also tell Alfonsin that "Nicaragua will not feel safe so long as the United States does not give up its objective of toppling the Nicaraguan Government."

He added: "Not even the best Contadora agreement could soothe us so long as the United States continues to support counterrevolutionaries in their attempt to topple the Nicaraguan Government."

ACTING FOREIGN MINISTER ON AREA RELATIONS

PA031605 Managua Radio Sandino in Spanish 1930 GMT 30 Sep 85

[Text] During an exclusive interview, Jose Leon Talavera, acting foreign minister, has discussed current relations between Nicaragua, Honduras, and Costa Rica. The situation grew more tense between Nicaragua and its neighbors in September when several armed attacks originated from the two territories. Talavera evaluated these relations and the case of a Nicaraguan civil aircraft which was hijacked and forced to fly to Honduras:

[Begin recording] [Talavera] During the past few years our relations with the Honduran Government have been affected by constant and systematic tensions resulting from the U.S. Government's well-known occupation policy in that country, which is used as a platform of aggression and from which criminal actions are constantly and systematically unleashed against our country.

Our government has repeatedly urged the Honduran Government to return this situation to normal. The first thing to be done is for the United States to cease using Honduran territory as a base for launching aggressions against Nicaraguan territory with mercenaries. We hope to restore normal diplomatic relations with Honduras. Ties of brotherhood between the Honduran and Nicaraguan peoples have traditionally existed. We believe the current situation will be temporary and that some day we will return to normalcy.

[Unidentified questioner] What can you tell us about relations with Costa Rica?

[Talavera] Relations with Costa Rica have also been affected, particularly in the last (?few years), by the increased U.S. presence in that country, Costa Rica's increasing involvement (?in new aggressions) against our territory, and the increase in the number of mercenaries along Costa Rica's border to carry out their plans of aggression against our country. The case of Costa Rica is different [words indistinct]. We have asked the Costa Rican Government and people [words indistinct] to prevent the emergence of these elements of tension in the already grave Central American crisis. We will continue to urge the Costa Rican Government to control the mercenary forces in that country.

[Question] What has the Nicaraguan Government done to obtain the return of the light plane that was hijacked to Honduras?

[Talavera] A third note was sent to the Honduran Government yesterday through our embassy in Tegucigalpa. We demanded that we be permitted to visit the pilot of the plane that was forced to go to Honduran territory and that the Honduran authorities have been holding for the past days. In addition to demanding that our consular authorities be permitted to visit the pilot, we have been demanding that the plane and the crew be returned. This case is described as air piracy by international law. We can demand its return with full rights. We are going to wait a prudent period before continuing the efforts through our Tegucigalpa embassy. We will continue to demand the return of the hijacked plane.

[Question] It is known that Nicaragua is holding two Honduran fishing boats that were seized in Nicaraguan territorial waters. What can you tell us about this?

[Talavera] The Sandanist Navy has been (?periodically) seizing vessels of Honduras and other countries that illegally get close to our coasts. The vessels and crews have been seized and (?have been turned over) to the proper authorities, who set fines for this action of piracy [words indistinct]. We have told Honduras of the need to discuss bilaterally the turnover of [words indistinct]. The Honduran Government has maintained a firm position of not wanting to accept [words indistinct] and return the Nicaraguan craft that might be held in Honduras for some time. The last one was the hijacked aircraft. [end recording]

GOVERNMENT REPORTS 177 REBELS KILLED IN CLASHES

PA061333 Panama City ACAN in Spanish 2212 GMT 5 Oct 85

[Text] Managua, 5 Oct (ACAN-EFE) -- According to the Managua regime, a total of 177 rebels killed in clashes with the Sandinist Army on the Atlantic Coast and the country's northern area are deepening the war in Nicaragua and are evidence of invasion plans from Honduras.

The Sandinist People's Army (EPS) has been engaged in clashes with counterrevolutionary troops, some of them belonging to the Nicaraguan Democratic Force (FDN), since 8 September.

The Defense Ministry reported that in only 6 days there were 14 clashes in the northern area and that more clashes are expected.

According to Interior Ministry reports, the EPS was unable to stop the infiltration of some 400 FDN contras into northern Zelaya in an effort to break up a "cease-fire" between Sandinists and armed Indian groups.

The ministry reported yesterday that 150 rebels participating in a so-called September Plan were killed when they tried to seize control of the mining area in northern Zelaya.

According to the report, the EPS sustained no casualties during the clash.

Defense Ministry authorities reported that 27 anti-Sandinists were killed between 28 September and 3 October during clashes in Zelaya, Chontales, and Jinotega. In these clashes the Army "recovered" stores and ammunition, captured 43 anti-Sandinists, and made some 150 combatants belonging to the San Jacinto and Jorge Salazar Regional Command units desert from the counterrevolutionary ranks.

There is no further information on a 400-man FDN column that infiltrated northern Zelaya.

However, subcommander Jose Gonzalez told the press that the FDN's "desperate" maneuvers to block the "cease-fire" agreement between Indian organizations and the Sandinists have not been effective.

Militants of the MISURA [Miskitos, Sumus, and Ramas] and the Managua regime decided to suspend fighting on 17 May.

Gonzalez, the chief delegate of the Interior Ministry in the country's northern area, pointed to the possibility that the 400 infiltrated mercenaries might launch armed operations against the Indians on the Atlantic coast.

These attacks in the country's northern area, as well as those on the Atlantic coast, are part of U.S. invasionist plans against Nicaragua, the Managua regime has charged.

This is the second time in only 2 months that the Sandinists have denounced an imminent invasion with operations based in Las Vegas, Los Arsenales, and La Lodosa in Honduras.

CRUZ, ROBELO SAY NEW ACTIONS PLANNED

PA040221 Managua Domestic Service in Spanish 0300 GMT 3 Oct 85

[Text] San Jose, -- Counterrevolutionary chieftains Alfonso Robelo and Arturo Cruz announced here today new military attacks as well as economic and political pressures against Nicaragua. Robelo and Cruz said today that the Somozist chieftains will meet somewhere in the Caribbean area in order to plan new attacks. They also said that they will make a presentation on the U.S. financing of the bands of the traitor Pastora because nobody should be left out, Arturo Cruz said.

As a good servant to the United States, Arturo Cruz recalled that although the Pastora bands can have some crumbs, they should not forget that the money is donated by the Yankee government, which is the one that determines the use of the aid against Nicaragua.

UNO Leaders on FSLN Policy

PA042019 Panama City ACAN in Spanish 0314 GMT 4 Oct 85

[By Wilfredo Chacon S.]

[Text] San Jose, 3 Oct (CAN-EFE) -- Alfonso Robelo, a leader of the Nicaraguan Opposition Unity (UNO), believes, along with Arturo Cruz and Adolfo Calero, that the Nicaraguan Government will sign the Contadora document next month.

The three leaders also predict that, before the end of the year, the Sandinists will approve a constitution that will include some of the terms of the document, not because of their democratic virtues, but in line with a calculated political strategy to gain international credit and time to consolidate their power.

Robelo made these forecasts before leaving for "someplace in the Caribbean" where the UNO leadership will meet today to assign a part of the humanitarian aid that the U.S. Government has provided for anti-Sandinist groups.

"According to the intelligence reports" of the opposition group, before 25 December, "not only will they sign the document on peace and cooperation, they will also incorporate some of its precepts into the constitution, which will be hastily approved in the time remaining before that date."

According to the reports that the opposition receives from Managua (they did not give the source), "the Sandinists believe that Contadora has been drawn out long enough and that the time has come to sign." According to Robelo, "they will sign something that is sufficiently vague and that has enough loopholes to allow them to get out of it as they usually do." Robelo predicted finally that: "They will not comply with anything," because in this area, the "totalitarian regimes have all the flexibility in the world.

On another subject, Robelo, Calero and Cruz have information that before the end of the year, the Sandinists will launch a large-scale military offensive against the rebels, "to end the year stronger in all respects."

The next step, in the program "for effect" outlined by the UNO leader, will be the holding of "so-called municipal elections in 1986" to impress the world with a process that one knows beforehand will be neither free nor democratic.

On the "strategy of promising and not fulfiling," which the opposition says is characteristic of the Sandinist regime, another UNO leader, Arturo J. Cruz, said that the promises made to the OAS have subsequently been disregarded up to now. Therefore, he added, "the simple signing of the Contadora document would not be enough; the commitments it implies would have to be implemented."

MISATAN PRESENTS DEMANDS TO FSLN DIRECTORATE

PA042230 Manague EL NUEVO DIARIO in Spanish 2 Oct 85 pp 1, 8

[Excerpts] The Organization of Nicaraguan Miskitos (Misatan) yesterday asked the government to grant legal status to Misura [Miskitos, Sumus, and Ramas] and Misurasata [Miskito, Sumu, Rama Sandinist Unity]

Misatan yesterday presented the FSLN National Directorate with a document that includes five main requests. In its document Misatan asks the government to release the Honduran and Nicaraguan Miskitos serving sentences in Nicaraguan jails and to allow the leaders and members of Misura, Misurasata, and KISAN [Unity of the Nicaraguan Atlantic Coast Peoples] to return to the country.

During a news conference the leaders of Misatan said these requests are the result of lengthy consultations with residents of the area, community leaders, and leaders of the Indian organizations. During these lengthy consultations they all reached the conclusion that "there is no defined, broad, and coherent policy on the part of the government for the resolution of the most urgent demands and needs of the community."

At the news conference the leaders of Misatan said these requests are the result of lengthy consultations with residents of the area, community leaders, and leaders of the Indian organizations. During these lengthy consultations they all reached the conclusion that "there is no defined, broad, and coherent policy on the part of the government for the resolution of the most urgent demands and needs of the community."

At the news conference it was also said that the government must reply to the document by 18 October in Puerto Cabezas. It was also stressed that "an analytic and objective study of the rights of the people is urgently needed because this is the one thing that would contribute to the peace and unity that everyone wants."

However, before answering to these demands, the government must issue a public communique announcing that the members of Misura, Misurasata, and KISAN who left the country in search of peace are free to return to the country and participate in the 18 October assembly.

Meanwhile, another delegation visited El Espino on the northern border. They were accompanied by officials from the United Nations Office of the High Commissioner for Refugees. The group went to El Espino to meet 115 Miskito and Sumu Indians returning from Honduras.

Stating that the process of autonomy is also the responsibility of the residents of the Atlantic Coast, Misatan called on the technicians and professionals of the area who now reside on the Pacific Coast to return home and help in the consolidation and development of the Atlantic Coast.

In conclusion, Misatan called for unity among all the Indian organizations and described this unity as "an essential factor in the achievement of peace and national unity and in the struggle for the rights of the Indian people." Misatan has also rejected "all maneuvers of foreign forces" to the interests of the communities and the nation.

SANDINISTS REPORTEDLY OWN DUMMY CORPORATIONS

PA040231 Bogota EL SIGLO (NICARAGUA HOY Supplement dated 25 September) in Spanish 26 Sep 85 pp 1, 4

[Text] Long before the U.S. trade embargo was imposed, the Sandinist government had created a number of "corporations" in various parts of the world to counteract such an eventuality. One of the purposes was to transfer credits in favor of Nicaragua to the corporations at the time of the embargo.

The first corporation created, and which operates as a holding company for the others, is called El Valle de Comercio International. This corporation is headquartered in Panama City, Republic of Panama. It was registered by Ana Casilda Ruiz de Romas and Juan Alberto Crochez Jr. before a notary public.

Corporation statistics are as follows:

1. Name: El Valle de Comercio Internacional, S.A.

2. Address: Panama, Republic of Panama

3. Capital: $10,000, made up of 100 shares at $100 each.

4. A board of directors, created in the charter, including: President Alejandro Martinez Cuenca; Vice President Bernardo Chamorro Cuadra; and Secretary and Treasurer Alvaro Bermudez Castillo.

5. Each charter member is obliged, according to the charter, to subscribe to a share, but presently the share registry is blank. It is assumed that the persons mentioned in section 4 will sign for the shares.

This corporation operates only in a legal sense; in practice it does not exist.

El Valle de Comercio Internacional created another company called the World Commerce Corporation, based in Coral Cables, near Miami, Florida. Its current president is Jorge Chamorro Cuadra. Executives of the company are Juan Jose de la Cruz Canales and Gloria Chamorro de Sandino. El Valle del Comercio Internacional S.A. owns 100 percent of the capital of this company.

At the same time, the World Commerce Corporation owns 100 percent of the shares of other companies operating in other parts of the United States: World Trade, registered in New Orleans and which was recently closed down, and Panaire.

El Valle de Comercio Internacional owns 51 percent of the shares of Eurocommodity, S.A., registered in Madrid, Spain. This company operates as a trading company and is of great importance to the communist Government of Nicaragua because through it that country imports a large quantity of the goods it needs. It takes on great importance because Spanish banks such as the Arab-Spanish Bank and the Foreign Trade Bank are currently extending credit to Nicaragua. They form part of a compensatory system, because in these cases Nicaragua does not receive a single dollar or disburse a single dollar to cancel the credit. These credits are recovered through the endorsement of coffee and cotton sales contracts that Nicaragua has signed -- through the Nicaraguan Coffee Enterprise and the Nicaraguan Cotton Enterprise -- with international companies that are brokers for these products.

The Spanish banks that grant credit to Nicaragua have their trading comapnies, such as Gran Cayman, Ltd., and Fomento de Comercio Exterior, that serve to channel credit. They participate in these financial operations in conjunction with Eurocommodity, S.A. This company is managed by Mauricio Toledano, a Spaniard.

Eurocommodity S.A. is at the same time a holding company for two other firms: Eurocafe and Encafe S.A. The latter has its offices in Panama City, and through it large quantities of coffee are placed on the international market.

BRIEFS

WFP AGREEMENT SIGNED -- Henry Ruiz Hernandez, minister of foreign cooperation, and Henry Sid Williams, representative of the World Food Program [WFP] in Nicaragua, today signed an $8.2 million cooperation agreement. The agreement includes the WFP's donation of 14,000 metric tons of food, such as rice, corn, meat, vegetable oil, and powdered milk. The food will help strengthen cooperation among peasants, handled by Midinra [Ministry of Agricultural-Livestock Development and Agrarian Reform], and the completion of works such as the construction of 6,200 dwellings, community buildings, schools, health centers, latrines, and better roads. [Text] [Managua Domestic Service in Spanish 0300 GMT 2 Oct 85 PA]

REAGAN'S STATEMENTS ON ARMS TALKS VIEWED

FL042142 Havana Domestic Service in Spanish 1805 GMT 4 Oct 85

[Text] U.S. President Ronald Reagan refused to comment today on the proposals formulated yesterday in France by the USSR's top leader, Mikhail Gorbachev, on the reduction in space weapons. I will wait until we reach Geneva to see how things turn out, Reagan said during a press conference at the White House in which he discussed budget reduction to control the U.S. federal deficit.

Responding to the press yesterday in Ohio, the U.S. Chief Executive reiterated that he will not renounce his space militarization program known as "star wars," which is the greatest problem facing the Geneva summit.

Hours earlier, in Paris, Mikhail Gorbachev had proposed the proscription of space weapons and a 50 percent reduction in existing nuclear arsenals in the United States and the USSR.

ZIMBABWE'S MUGABE ARRIVES IN HAVANA 7 OCT

FL071420 [Editorial Report] Havana Television Service in Spanish at 1312 GMT on 7 October carries live coverage of the arrival of Zimbabwean Prime Minister Robert Mugabe at Havana's Jose Marti International Airport.

The establishing shot shows Mugabe's aircraft on the landing strip. Staff announcer Manolo Ortega provides background information. Camera shows Cuban President Fidel Castro waiting at the foot of the ramp with entourage. The door of Mugabe's plane opens and the camera pans assembled crowd, which includes a group of Zimbabwean students. At 1315 GMT, Mugabe leaves the aircraft and with his wife greets Fidel Castro. The remainder of the Zimbabwean delegation comes down the ramp and is greeted by Fidel Castro and Vilma Espin, president of the Federation of Cuban Women and alternate member of the Politburo of Cuba's Communist Party, who, according to Ortega, is present to greet Mrs Mugabe.

The Zimbabwean delegation includes Minister of Community Development and Women's Affairs Teurai Nhongo.

Fidel Castro accompanies Mugabe to a position near the honor guard. The official reception ceremony begins at 1317 GMT with the national anthems of Zimbabwe and Cuba, accompanied by artillery salvos. The camera shows Castro and Mugabe in closeup, then pans the airport, focuses on the flags, and then on Castro, who is shown saluting.

At 1320 GMT, Mugabe and Castro begin to review the honor guard. Walking at an easy pace, Mugabe pauses to bow to the national flags, Castro salutes continuously. Mugabe and Castro then greet members of the party and government, including Politburo members Ramiro Valdes and Guillermo Garcia, Carlos Rafael Rodriguez, Armando Hart, Sergio del Valle, and Jorge Risquet, as Zimbabwean students sing patriotic songs.

Mugabe and Castro then greet members of the diplomatic corps accredited to Havana, shaking hands with each person. Castro then accompanies Mugabe to the group of Zimbabwean students, who sing in greeting to Mugabe. Castro and Mugabe wave to the crowd and then begin watching the honor guard parade, which begins at 1327 GMT. Castro is shown saluting. Ortega continues to provide background information.

As music continues, Castro and Mugabe enter a limousine and at 1330 GMT leave the airport. The transmission ends with a view of the crowd at 1330 GMT, and camera returns to studio.

CASTRO PRESIDES OVER PARTY MEETING IN HAVANA

FL051510 Havana Domestic Service in Spanish 1402 GMT 5 Oct 85

[Text] Commander in Chief Fidel Castro is presiding over the party's meeting to evaluate, elect, or reelect officers in Havana being held in this capital's Jose Antonio Echeverria Superior Polytechnic Institute's amphitheater.

Jorge Lezcano Perez, party first secretary in Havana is in charge of submitting the main report, which highlights the progress made by the territory during the last years and the deficiency areas that need more attention.

The Havana Communists will mainly discuss the party's work related to economic efficiency, quality of services offered to the people, and political-ideological activities. The party's meeting in Havana will end tonight with the selection of a new provincial committee.

The main report submitted to the party's meeting in Havana indicates that time since the last meeting has been characterized by productive work and underscores the growth of mercantile production and productivity. It also indicates the improvement of the productivity-average salary ratio and the utilization of the work force and material resources by enterprises and agencies. The document notes that the party in the capital will continue work to increase efficiency and profitability levels as well as to maintain levels of mercantile production by constantly increasing work productivity.

Our main political organization's assessment report in Havana also indicates that the process ending today was characterized by a spirit of self-criticism and quality.

CASTRO CLOSES PCC REAFFIRMATION EVENT

PA062014 Havana International Service in Spanish 1600 GMT 6 Oct 85

[Text] Top Cuban leader Fidel Castro highlighted the advances made in the city-province of Havana in the fields of production, health, education, and other spheres as he closed last night the assembly for balance, renewal, and reaffirmation of the mandate of the Communist Party of Cuba (PCC) held in this capital.

The PCC first secretary emphasized the efforts made in Cuba to achieve economic and defense efficiency. I believe, he said, that we must be optimistic not only because of the successes we have had, but because we are very much aware of the problems that persist and because we know we cannot rest on our laurels.

Fideo Castro stressed that mass support and the existence of greater awareness regarding economic problems on the part of party activists have been instrumental in the success of the policy the PCC set forth at the end of 1985. The Cuban president indicated that all human endeavors are open to improvement, asserting that the revolution will advance a task that will be increasingly perfected.

On health, Fidel Castro said that by 1986 approximately 400,000 Cubans will receive medical attention under the family doctor system, which in the first 8 months of 1985 handled more than 137,000 cases. The top revolutionary leader emphasized Cuba's achievements in the field of health, pointing out that these will guarantee a future with significant higher life expectancy averages. Fidel Castro stated that the elderly in Cuba will enjoy attention unrivaled throughout the world and that care for patients will be humanized yet further as uncessary hospitalizations are reduced.

He said that quality and not quantity will characterize the great advances Cuba will make in future years, and indicated that living standards are not only measured according to the material benefits that are received, but by the welfare of the population as well.

I believe we are doing well, Fidel Castro said, and we will do better to the extent that we are concerned not only about achievements, but, as we increase awareness, of our weaknesses and we are prepared to eliminate them.

The top Cuban leader congratulated the party activists selected as delegates to the third congress of the PCC, particularly Jorge Lezcano, ratified as first secretary of the leading political organization in the city-province of Havana.

RADIO HAVANA ON CIA ROLE IN U.S. FOREIGN POLICY

PA071723 Havana International Service in Spanish 0000 GMT 4 Oct 85

["World Events" Commentary by Miguel Cabrera]

[Text] From the day it was created, the Central Intelligence Agency (CIA) of the United States has played an outstanding role in the White House's foreign policy. Its agents are active throughout the world. Their goals are always the same: to oust people's governments, destabilize the countries that do not follow Washington's policy, create internal conflict, provoke subversion, murder anti-imperialist leaders, train counterrevolutionary bands, spy, bribe, blackmail, and many other actions that violate UN principles and which have been widely condemned by international and even U.S. public opinion.

In spite of the fact that it has hundreds of millions of dollars available for improving its aggressions, CIA agents alays leave their prints behind. Sometimes, their plans are made public shortly after they carry them out, as it is known who is guilty. On several occasions, U.S. rulers have had to admit CIA crimes.

However, the main operations of the organization are ordered by the White House: the murder of Chilean President Salvador Allende, the financing and training of the Nicaraguan counterrevolutionary bands that have committed thousands of crimes against the civilians of the nation, the attacks against Cuba, Angola, Ethiopia, Santo Domino, El Salvador; in fact, there is not a single nation in the world that can honestly say that it has not been the victim of the CIA in at least one of the many forms of aggression that the intelligence organization carries out.

Since U.S. President Ronald Reagan moved over to the White House, CIA activities have increased noticeably. The strategists found their paths opened and the lukewarm restrictions that Congress had imposed in 1970 on the espionage agency's operations annulled. To have a clearer idea in this respect, it is only necessary to point out that the CIA's secret operations abroad increased 5 times, and its budget increased to $2 billion.

There are 25 military training camps for foreign terrorist groups in the United States. CIA agents who are Vietnam War veterans are in charge of these camps. In these camps, agents are taught how to sabotage military and economic centers and to handle modern war equipment.

When an aggression against Nicaragua -- which maintains diplomatic relations with the United States -- is planned at such camps, this is a violation of Article 18, Section 96 if the U.S. Constitution [as heard], which specifies that it is illegal to supply or prepare the means for obtaining funds or any military assistance destined against a foreign government with which Washington maintains diplomatic relations. For Ronald Reagan, his country's Constitution is an obsolete piece of paper that no longer serves imperialist interests.

In addition to directing subversive actions, the CIA calls for meetings of counter-revolutionary groups to dictate their strategy. U.S. press media recall that the annual conference of the Anti-Communist League was recently held in Dallas, Texas, with the participation of 90 representatives of terrorist organizations. What really surprised political observers was not the warmongering tone of the delegates, but rather the support message sent by Ronald Reagan to the chieftain of the bands, which are world-renowned for their many crimes.

Participants at a similar meeting held in the territory occupied by South Africa in southern Angola received a message from the White House chief that said: Your goals are ours. We wish you success, and may God bless you.

A Western commentator said to this effect: If there is a God, He would hardly agree to defend anyone who commits crimes following orders of a government that seeks to perpetuate the difference between the rich and the poor and force peoples to humiliate themselves forever.

MALMIERCA SEEKS UNITY OF DEBTOR COUNTRY NATIONS

FL071658 Mexico City NOTIMEX in Spanish 2305 GMT 5 Oct 85

[Text] Mexico City, 5 Oct (NOTIMEX) -- Because of their lack of resources, it is impossible for the developing countries to meet their international financial obligations. For this reason, debtor countries must unite to achieve the establishment of a new world economic order. The preceding statement was made by Cuban Foreign Minister Isidoro Malmierca, who passed through Mexico City after attending the 40th UN General Assembly meeting in New York.

In an interview he granted at Mexico City International Airport, the Cuban foreign minister said the establishment of a new international economic order that will work to transform present relations [words indistinct] will be beneficial for the industrialized countries, which are facing grave problems such as unemployment. Nevertheless, he said, there is still insufficient understanding for it to be possible to go ahead with global negotiations; that is, there is a lack of determination in facing up to the problems of the foreign debt, which is so dangerous to the political and social structure of the so-called Third World peoples. For this reason, the Cuban official said it is important for Latin American and Caribbean countries to strengthen their relations and friendly ties to change the present unjust economic situation that reigns in the world.

Regarding the 40th UN General Assembly, Isidoro Malmierca said the characteristic of the assembly was the international solidarity that the Mexican people found to resolve the effects of the 19 and 20 September earthquakes. He also said that 70 of 100 speakers spent a lot of time analyzing the economic situation of Third World countries and the subject of the foreign debt of developing countries.

The Cuban foreign minister will depart for Havana tomorrow, where he and President Castro will study the results of the 40th UN General Assembly meeting.

NEW TRADE RULES 'COULD HURT' CARICOM PRODUCERS

FL041430 Bridgetown CANA in English 2218 GMT 3 Oct 85

[Text] Roseau, Dominica, Oct 3, CANA -- New rules of origin governing Caribbean Community (Caricom) trade could hurt some regional producers, according to the Vice President of the Council for Eastern Caribbean Manufacturers (CECM) Ninian Marie. Speaking on a radio programme here last night, he said the rules of origin, which set out the conditions under which regionally-produced goods can benefit from duty-free treatment in the Caribbean Common Market, may put some manufacturers in Caricom's lesser developed countries (LDCs) at some sort of disadvantage. Goods originating in the community are traded duty-free among Caricom countries.

Marie said the LDC manufacturers were being told that from 1987 when the new rules come into force, they would have to increase from 20 to 40 per cent the value added (local input) for their exports to qualify for such treatment. That (increase) may be a bit difficult, he said. There are some manufacturers who are going to be affected by this new value added, especially the assembly processors. They may not qualify under the new origin rules which come into effect in 1987.

Marie said that LDC manufacturers would soon be submitting their recommendations on the new system to the governments. The proposals might be brought up at the Caricom Council of Ministers meeting scheduled for January, he commented.

From what I see, we will be greatly more affected then the more developed countries when the rules come into effect, he added.

Also participating in the radio programme was the head of the economic development unit of the Barbados-based Caribbean Association of Industry and Commerce (CAIC), Eisenhower Douglas. He said that private sector officials in the MOCs thought concessions to the LDCs should be ended.

Throughout the treaty there are special provisions for LDCs as against the MDCs and the origin rule is no exception, he remarked. One would expect that over time there would be a sort of meeting of the two where there would be some attempt to equalise those differences, because one of the complaints we get from MDC private sector people is that they feel as though the LDC people have been taking them for a ride long enough.

TRANSPORTATION COOPERATION AGREEMENT BEGINS

FL051753 Bridgetown CANA in English 1710 GMT 5 Oct 85

[Text] Georgetown, Guyana, Oct 5, CANA -- Caribbean Community (Caricom) states have achieved an important landmark in their joint efforts to develop air transportation services intra-regionally and with third countries, the Caricom Secretariat said in a statement released here. It said the inter-governmental agreement on cooperation in air transportation came into effect on September 13 when St Lucia became the sixth country to deposit its instrument of ratification with the Georgetown-based secretariat. Barbados, Dominica, Guyana, Jamaica and Trinidad and Tobago had signed and ratified the pact earlier. In addition, Antigua and Barbuda, Grenada and Saint Christopher-Nevis have signed the agreement.

According to Caricom secretary-general, Roderick Rainford, the agreement constitutes a valuable basis on which member states and regionally-owned airlines can hold consultations and cooperate to improve the efficiency of air transportation operations in the region. The agreement emanates from a mandate by the 1982 Caricom heads of government summit to the high level committee on the rationalisation of air transportation.

The agreement has three main elements. It provides for a Caricom member state to designate an airline owned by another member state as its national carrier for the purpose of exercising route rights granted within the ambit of bilateral air services agreements. This provision represents for the region a departure from traditional practice under which an air carrier would qualify as a national carrier only when it was substantially owned and effectively controlled by the government or nationals of that country.

The agreement also established a mechanism to facilitate consultations among Caricom member states on bilateral air services agreements. The direct benefit of this mechanism is that it allows Caricom states to coordinate their negotiations with third countries, thereby increasing their negotiating strength and leverage.

Thirdly, the agreement provides for the national airlines of member states to explore and implement all feasible areas of functional cooperation in order to promote their viability and the rational development of air transport services for the region. The areas of functional cooperation identified include joint action in relation to fuel purchase, maintenance, training, ground handling services, cargo warehousing and schedule integration. A committee of executives of regionally-owned airlines has held several meetings in pursuit of a number of specific areas of functional cooperation among these airlines.

Trinidad and Tobago, Jamaica, Guyana, Barbados and the Bahamas all have the national carriers and Grenada is shortly to launch its own. In addition, several Caricom governments en bloc own the intraregional carrier, LIAT.

TRINIDAD-TOBAGO DOCKWORKERS STRIKE ENDS

FL051154 Bonaire Trans World Radio in English 1130 GMT 5 Oct 85

[Text] A dockworkers strike in Trinidad and Tobago has ended after 4 days, which paralysed the waterfront of Port of Spain. Agreement to end the strike was reached last night between labor ministry officials and officials representing the dockworkers union. The two sides meet again on Monday to continue discussions on several outstanding issues.